

(28,335)

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1921.

No. 380.

HENRY HUNSICKER, CHARLES J. GREENE, JR., PRO-
DUCERS OIL COMPANY, ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA.

APPEAL FROM THE UNITED STATES CIRCUIT COURT OF APPEALS
FOR THE FIFTH CIRCUIT.

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UNITED STATES OF AMERICA:

United States Circuit Court of Appeals, Fifth Judicial Circuit.

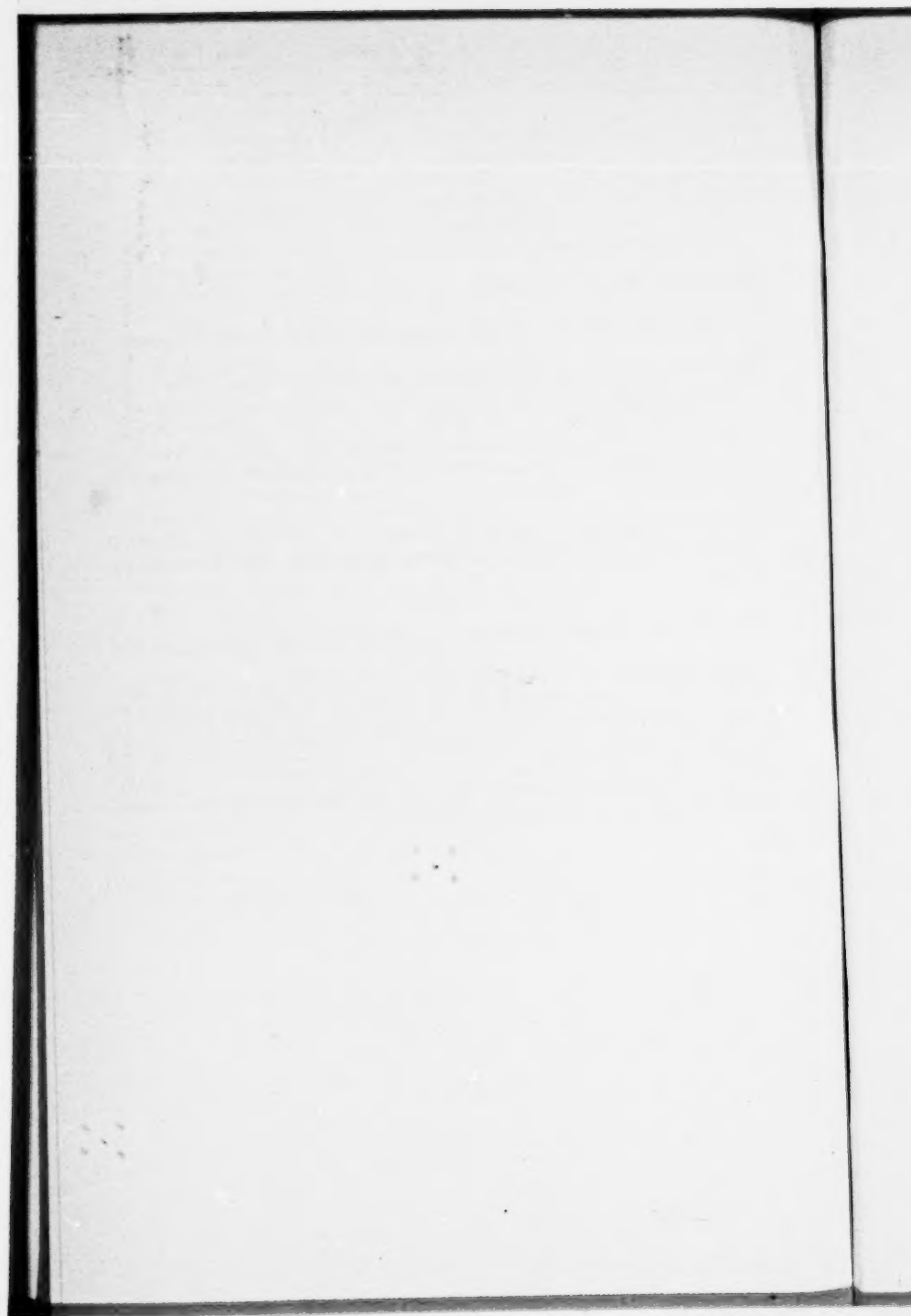
Pleas and proceedings had and done at a regular term of the United States Circuit Court of Appeals for the Fifth Circuit, begun on the third Monday in November, A. D. 1920, at New Orleans, Louisiana, before the Honorable Richard W. Walker, the Honorable Nathan P. Bryan, and the Honorable Alex. C. King, Circuit Judges.

HENRY HUNSICKER, CHARLES J. GREENE, JR., PRODUCERS OIL COMPANY, and The Texas Company, Appellants and Cross-Appellees,

versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Be it remembered, That heretofore, to wit, on the 25th day of May, A. D., 1920, a transcript of the above styled cause, pursuant to an appeal and cross appeal from the District Court of the United States for the Western District of Louisiana, was filed in the office of the Clerk of said United States Circuit Court of Appeals for the Fifth Circuit, which said transcript was filed and docketed in said Circuit Court of Appeals as No. 3542, as follows:



UNITED STATES DISTRICT COURT, WESTERN
DISTRICT OF LOUISIANA.

UNITED STATES OF AMERICA,
Plaintiff,
versus No. 1156, In Equity.

HENRY HUNSICKER, ET AL.,
Defendants.

Transcript of Appeal taken by the Defendants, and
Cross Appeal taken by the Plaintiff, to the United
States Circuit Court of Appeals, Fifth Circuit.

New Orleans, Louisiana.

In the District Court of the United States for the
Western District of Louisiana, Shreveport Division.

United States of America, Plaintiff,
vs. No. 1156, In Equity.
Henry Hunsicker, Charles J. Greene, Jr., Producers
Oil Company, The Texas Company, Defendants.

To the Honorable, the Judge of the District Court of
the United States for the Western District of
Louisiana, sitting within and for the Shreveport
Division of said District:

The United States of America, by its Solicitor, Robert
A. Hunter, Special Assistant to the Attorney General,
acting herein under the direction and by the authority
of the Attorney General of the United States, brings

this Bill of Complaint against Henry Hunsicker, a citizen of Louisiana, and a resident of the City of Shreveport, in the Western District of said State, Shreveport Division; Charles J. Greene, Jr., a citizen of Louisiana, and a resident of the City of Natchitoches, in the Western District of Louisiana, Shreveport Division, and Producers Oil Company and the Texas Company, corporations, organized under the laws of the State of Texas, domiciled in the City of Houston, in the Southern District of said State, said corporations doing business in the City of Shreveport, Western District of Louisiana, with Hampden Story, a resident of the City of Shreveport, Louisiana, as their duly authorized agent for the service of process, and thereupon complains and shows unto your Honor:

I.

That on and before December 15, 1908, the plaintiff was the owner, as a part of its public domain, of a certain tract of land which was then, in part, unsurveyed public land of the United States, but all of which has since been surveyed under the direction and with the approval of the Secretary of the Interior, and is now known and described as Lots Two (2) and Three (3) of Section Eight (8), Township Twenty (20) North, Range Sixteen (16) West, Louisiana Meridian, situated in the Parish of Caddo, Western District of Louisiana, as shown by plat of survey approved March 28, 1917, by Clay Tallman, Commissioner of the General Land Office, and Ex-Officio Surveyor General for the State of Louisiana.

That on and prior to the aforesaid date plaintiff was, and still is, the owner and entitled to the possession of the above described land, and, likewise, of all oil, petroleum, gas and other minerals therein contained.

II.

On December 15, 1906, in order to conserve the public interests, and in aid of such legislation as might thereafter be proposed, recommended and enacted, the President of the United States, by and through the Secretary of the Interior, and under the legal authority vested in him so to do, withdrew from settlement and entry and all other forms of appropriation, all of the public lands in Townships 15 to 23 North, and Ranges 10 to 16 West, Louisiana Meridian, which withdrawal included the lands herein involved.

On the 2nd day of July, 1910, the President of the United States, acting by and through the Secretary of the Interior, by executive order, and under special authority conferred by the Act of June 25, 1910, entitled "An Act to authorize the President of the United States to make withdrawals of Public Lands in certain cases," ratified, confirmed and continued in full force and effect the previous order of withdrawal of December 15, 1908, above set forth, insofar as it affected the

land described herein, including the same as a
2 part of the Petroleum Reserve Number Four.

That such lands so withdrawn by said order of July 2, 1910, including the land herein involved, were withdrawn from settlement, location, sale or entry, and reserved for classification and in aid of legislation affecting the use and disposal of petroleum lands belonging to the United States.

Neither of said orders of withdrawal has ever been vacated but both are now in full force and effect, and said lands above named, including the property involved herein, ever since the date of the first withdrawal, December 15, 1908, have not been subject to exploration for oil, petroleum, gas, or other minerals, or to

location or entry, of any kind, under the general land laws, or mineral laws, of the United States.

III.

Plaintiff avers that notwithstanding said orders of withdrawal and in violation of the rights of the plaintiff, and contrary to its laws, and without any valid title, lawful right or authority, the defendants herein, in bad faith, entered upon and took possession of the tract particularly described in paragraph 1 hereof, for the purpose of drilling thereon for oil and gas, and did so drill two wells, known as Hunsicker Nos. 1 and 2, and did withdraw therefrom large quantities of oil and gas, the exact amount and value of which is unknown, all to the great and irreparable injury of plaintiff.

IV.

That on and prior to the dates of the withdrawal orders hereinabove set forth, to-wit: December 15, 1908, and July 2, 1910, none of the said defendants, or any one from whom the defendants, or any of them, claim, was in the possession of said land, or a bona fide occupant thereof in diligent prosecution of work thereon leading to a discovery of oil or gas, and no such discovery was, in fact, made prior to said orders of withdrawal, nor until long after said orders were issued and had become effective to withdraw said land from location, entry, and other appropriation.

V.

Plaintiff is informed and believes that the oil and gas so withdrawn from the said tract of land, as above set forth, were extracted therefrom under color of a

To all whom it may concern: Notice is hereby given that the undersigned citizen of the United States in the State of Louisiana, and having complied with Chapter VI., Title 32, of the Revised Statutes of the United States, and extended by Act of Congress approved February 11th, 1897, entitled "An Act to authorize the entry and patenting of lands containing petroleum, or other mineral oils under the placer mining laws of the United States," have filed location on.....placer mining claims of 20 acres each, situated in Caddo Parish, State of Louisiana, and described as follows:

Fractional SW $\frac{1}{4}$ of NE $\frac{1}{4}$ Section 8, T. 20 N. R. 16 W., La. M. Fractl. NW $\frac{1}{4}$ of SE $\frac{1}{4}$ Section 8, T. 20 N. R. 16 W. La. M., the same being claims..... and designated on the United States Survey as United States land, being in all 20 acres.

Discovered190...

Located March 20, 1910.

Signed: HENRY HUNSICKER,
Locator.

C. J. GREENE, JR.

3 C. J. Greene, Jr.,
 to Notice of Location.
 The Public.

To all whom it may concern: Notice is hereby given that the undersigned citizen of the United States in the State of Louisiana, and having complied with Chapter VI., Title 32, of the Revised Statutes of the United States, and extended by Act of Congress approved February, 11th, 1897, entitled "An Act to authorize the entry and patenting of lands containing petroleum, or other mineral oils under the placer mining laws of the United States," have filed location on.....placer mining claims of 20 acres each, situated in Caddo Parish, State of Louisiana, and described as follows:

Fractional SW $\frac{1}{4}$ of NE $\frac{1}{4}$ Section 8, T. 20 N. R. 16 W., La. M., the same being claims.....and designated on the United States Survey as United States land, being in all 20 acres.

Discovered190...

Located March 20, 1910.

Signed: C. J. GREENE, JR.,
 Locator.

Attest:

HENRY HUNSICKER.

The said above pretended locators themselves made no effort to explore said land or to drill for oil, but on the 28th day of March, 1910, by act recorded in Conveyance Book 67, page 621 and 622, of the records of Caddo Parish, Louisiana, executed a mineral lease thereon to the Producers Oil Company, defendant herein.

Plaintiff avers that the said defendants have no right,

title or interest in and to the said tract of land, but acting under the said pretended and illegal mineral location and lease, and not otherwise and subsequent to the withdrawal orders hereinabove referred to, the said defendant, Producers Oil Company, entered upon the said tract of land, drilled wells thereon, as aforesaid, and took therefrom a large quantity of oil and gas which it marketed and sold to defendant, the Texas Company, the said above named locators, Henry Hunsicker and Charles J. Greene, Jr., defendants, receiving a royalty therefrom, the amount and value of which oil and gas so withdrawn, as well as the amount of the royalty so paid, being unknown to plaintiff.

The exact quantity of oil and gas so produced, withdrawn from the land, marketed and sold, the value thereof, and the price and royalties paid to, and received by, the defendants herein, being unknown to plaintiff, full discovery from the said defendants is sought herein.

VI.

Plaintiff avers that the said defendants are now unlawfully trespassing upon the said land and are asserting claims thereto and will continue to do so; that they will also drill other wells, operate the same, and sell and dispose of the oil and gas produced therefrom, and, unless restrained by order of this Court, will otherwise trespass on said land, to the great and irreparable damage of plaintiff.

VII.

Plaintiff avers that the value of the said land and the oil and gas taken therefrom exceeds the sum of Forty Thousand (\$40,000.00) Dollars, and that all of the defendants herein acted in bad faith in the premises.

VIII.

In consideration whereof and for as much as the plaintiff is without full, adequate and complete remedy in the premises save in a Court of equity, plaintiff prays:

1. That the said defendants be each required to make full, true and direct answers to all and singular the matters and things herein set forth, and to disclose their claim to said land and the amount and value of the oil and gas taken therefrom, as fully as if they had been particularly interrogated.

2. That the land above described be decreed by this Court to have been at all times from and after December 15, 1908, lawfully withdrawn from settlement, entry, location, sale or other form of appropriation under the public land or mineral laws of the United States.

3. That the aforesaid mineral location and lease set forth in paragraph 5 of this bill be declared null and void, and that the same be cancelled and annulled.

4. That the land above described may be adjudged and decreed to be the perfect property of the plaintiff, free and clear of all claims of the defendants, or any of them, and that the possession of said land may be restored to the plaintiff.

5. That said defendants, during the progress of this suit, and finally and perpetually thereafter, may be enjoined from setting up any claim to said land, or any part thereof, and from creating any cloud upon plaintiff's title to same, or to any of the oil, gas, or other minerals on or under the same, or from going upon said land or in any manner using the same, or extracting oil or other minerals therefrom.

6. That a receiver may be appointed by this Court to take possession of said land and of all wells, improvements and drilling paraphernalia thereon, and any other property and instrumentalities on said land used for the purpose of drilling and extracting, storing and transporting oil or gas, with full power and authority to continue operations on said land in the production and sale of oil, gas and other minerals, and to do and perform such acts as may be necessary to protect the property of plaintiff against injury and waste and for the preservation thereof.

7. That an accounting may be had by each of said defendants wherein each of them shall make a full, complete, itemized and correct disclosure of the quantity of oil and gas removed or extracted from said land, and of any and all moneys, or things of value, derived from the sale and disposition of same, and all rents, royalties and proceeds arising from the sale or lease of same, and that the plaintiff may recover from the said defendants, respectively, all such sums so received by them, and all damages sustained by plaintiff in the premises.

8. May it please the Court that writs of subpoena issue directed to the said Henry Hunsicker, Charles J. Greene, Jr., Producers Oil Company and the Texas Company, defendants, commanding them at a certain time and under a certain penalty therein to be named, to appear before this Honorable Court and then and there full, true and direct answers make to all and singular the premises, and to stand to perform and abide by such order, direction and decree as may be made against them in the premises, and as shall be meet and agreeable to equity.

9. That plaintiff may have such other and further relief as may seem just to this Honorable Court, and agreeable to equity and good conscience.

ROBERT A. HUNTER,
Special Assistant to the
Attorney General.

5

Affidavit.

United States of America,
Northern District of California.

D. R. Thompson, being first duly sworn, deposes and says:

That he is Mineral Inspector of the General Land Office, and, as such, has made investigation of the status of the lands belonging to the United States in the Parish of Caddo, Louisiana, from which oil and gas have been extracted, and, particularly, of the land described in the foregoing bill of complaint, withdrawn by the President from entry, location and all forms of appropriation by order of December 15, 1908, and July 2, 1910; and that from the examination of such lands, and from examination of the records of the General Land Office and of the Local Land Office in the State of Louisiana, he has knowledge of the facts set forth in the foregoing Bill of Complaint, and that the facts and allegations therein contained are true.

D. R. THOMPSON.

Sworn to and subscribed before me this 5th day of July, 1917.

LYLE S. MORRIS,
Deputy Clerk United States District Court,
Northern District of California.

Indorsed:—Bill of Complaint. Filed July 19, 1917.

To the Honorable, the Judge of the District Court of
the United States for the Western District of
Louisiana, Sitting Within and for the Shreveport
Division of said District:

I.

But defendant shows that the aforesaid survey, in so far as it related to the above described property, is illegal, null and void; and that in making and approv-

ing said survey as to said land the Commissioner of the General Land Office acted beyond his power, jurisdiction, right or authority, inasmuch as the said land at the date of the said purported resurvey was not public land of the United States subject to survey, but was, and still is, in the full equitable ownership of the defendants as mineral locators, as will hereinafter specifically be shown.

7

II.

It is specifically denied that the withdrawal order of December 15th, 1908, referred to in the second article of the bill of complaint, included the lands herein involved, and specially is it averred that if the said withdrawal order should be construed to include the land herein involved that the said withdrawal order did not, nor did it purport to, withdraw the said land from location and purchase under the mining laws of the United States.

It is admitted that on the second day of July, 1910, the President of the United States, acting by and through the Secretary of the Interior, issued a proclamation, ratifying, confirming and continuing in full force and effect the previous order of withdrawal of December 15th, 1908; but, as aforesaid, it is denied that the said previous withdrawal included the land herein involved, or that if it did include the land herein involved that it affected the right of any citizen to locate and purchase the same under the mining laws of the United States.

It is admitted that neither of said orders of withdrawal has ever been vacated but, as aforesaid, it is denied that either of said withdrawals, effect the land involved in this suit; and it is specially reiterated that the withdrawal order of December 15, 1908, did not,

nor did it purport to, withdraw the said land, if it should be held to be included in the withdrawal order, from location under the placer mining laws of the United States or purchase under said laws; but it is averred that the said land remained thereafter free and open to exploration for oil, gas and other minerals and to location and purchase under the said mineral laws.

III.

Defendant denies that in violation of said order of withdrawal and in violation of the rights of the plaintiff, or contrary to its laws, or without any valid title, lawful right or authority, or in bad faith, that he entered upon and took possession of the property involved in this suit, for the purpose of drilling thereon for oil

and gas. But defendant shows that, as herein-
 8 after specifically set forth, his entry upon the said property was legal and valid and under the direct authority of the mining laws of the United States, permitting the location, exploration and purchase of lands containing oil or gas, and under and by virtue of a valid location thereof, under which location the wells referred to in this article of the bill of complaint were drilled, the drilling of which wells was under the authority of the said mining laws and not to the injury of the plaintiff.

IV.

Defendant admits that on and prior to December 15th, 1908, he was not in possession of the said land; but defendant specially shows that prior to July 2nd, 1910, as hereinafter more fully appears, he, through his lessee, the Producers Oil Company, was in the actual possession of said land as a bona fide occupant

thereof, in diligent prosecution of work thereon, leading to a discovery of oil and gas; and that such discovery was in fact made prior to the withdrawal order of July 2nd, 1910.

V.

Defendant shows that on the 20th day of March, 1910, he made a location under the mining laws of the United States of fractional SW $\frac{1}{4}$ of NE $\frac{1}{4}$ and of fractional NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 8, Township 20 North, Range 16 West, La. M., the same being vacant surveyed lands of the United States; and that notices of location were on that date posted upon the said land, of which defendant on that date took possession; and that on the 22nd day of March, 1910, notice of said location was filed for record in the conveyance records of Caddo Parish, Louisiana. That on that date the said land, being vacant land of the United States not withdrawn from location under the mining laws of the United States, was under said laws free and open to exploration, location and purchase; and that, availing himself of those laws, defendant, as a qualified citizen of the United States, made such valid location.

Defendant shows that being in actual possession of said property under said location and under the laws of the United States, and not being able financially to perform the actual work necessary to drilling wells for oil and gas thereon, the cost of which in the particular territory in which the said land is located being very high, he did on the 28th day of March, 1910, execute a valid mineral lease on said property in favor of the Producers Oil Company, which said lease was recorded in the records of Caddo Parish, Louisiana.

Defendant shows that under and by virtue of said lease and the said valid location, the Producers Oil Company entered upon the said tract of land, under possession given by him, and drilled wells thereon, from the proceeds of which wells it has paid to defendant some royalties, the amount and value of which will be more fully set forth in an amended answer, which the defendant reserves the right later to file.

Defendant shows that having taken possession of the said property through the said lessee, work was promptly and diligently begun, leading to a discovery of minerals, and that on the 20th day of June, 1910, gas was discovered thereon in paying quantities, thereby completing the location and investing this defendant with all the rights of a mineral locator under the laws of the United States, to-wit, with the full equitable title to the said property, and the right to purchase and patent, which patent has been denied in spite of his efforts to obtain the same, on account of the illegal construction placed upon the withdrawal orders above referred to by the officers of the United States Land Office.

V.

Defendant denies that he is an unlawful trespasser upon said land but avers that his possession thereof is legal and that he is the equitable owner of the said property, with the right to drill as many wells thereon as he deems proper, and to operate, sell and dispose of the oil and gas produced therefrom.

VIII.

Defendant, as aforesaid, specially denies that he acted in bad faith in the premises, but avers that all of his acts of possession and location were in good faith and

in allowance upon his rights under the mining laws of the United States.

* Wherefore, having made a full and complete answer to all of the averments of the bill of complaint, defendant prays that the said bill be dismissed and that he be hence discharged with all costs in this behalf sustained.

THIGPEN & HEROLD.

Solicitor for Defendant,
Henry Hunsicker.

Indorsed:—Answer of Henry Hunsicker, Deft. Thigpen & Herold, Solicitors for Defendant, Hunsicker. Filed Aug. 10, 1917.

11 In the District Court of the United States for
 the Western District of Louisiana, Shreve-
 port Division.

United States of America, Plaintiff,

vs. No. 1156, In Equity.

Henry Hunsicker, Charles J. Greene, Jr., Producers
Oil Company, The Texas Company.

The answer of The Texas Company to the bill of complaint herein, and for answer thereto says:

I.

That, not denying, or admitting, any of the matters or things in said bill of complaint, excepting as they may have any materiality or pertinency to its defense herein, says, that it commenced to take oil from wells producing oil, drilled on the premises described in the lease of Henry Hunsicker and C. J. Greene, Jr., bearing date the 28th day of March, 1910, and particularly

referred to in Article V of plaintiff's bill of complaint, on or about the 26th day of May, 1911, and thereafter, from time to time, up to and including the 30th day of June, 1917; but defendant avers, that it is unable to state what part, or if any, of such oil was received into its pipe line from wells drilled on the property involved, and in dispute, in this cause. That the oil run into its said pipe line from wells on the lease of Henry Hunsicker and C. J. Greene, Jr., to Producers Oil Company, of date March 28, 1910, from or about May 26, 1911, to June 30, 1917, inclusive, amounted to ninety-eight thousand six hundred twenty-one and 10-100 (98,621.10) barrels of oil.

II.

Defendant avers, that on the 8th day of August, 1911, the said Producers Oil Company, said Henry Hunsicker and said C. J. Greene, Jr., defendants herein, executed a division order, or agreement, to this defendant, whereby and whereunder they declared that they were the owners of wells numbered from one (1) upward, drilled and producing oil on the said leased property, in Section Eight (8), Township Twenty (20) North, Range Sixteen (16) West, Parish of Caddo, State of Louisiana, and notifying this defendant to credit all such oil so received into its pipe line for transportation to their several accounts and credits, as follows, to-wit: Producers Oil Company, five-sixths (5-6); Chas. J. Greene, Jr., one-
 12 eighteenth (1-18), and Henry Hunsicker, two-
 eightieths (2-18), all of which was according-
 ly done by this defendant.

III.

That subsequently to such division order, the said Producers Oil Company, said Henry Hunsicker and

said C. J. Greene, Jr., authorized and directed, under sales orders, which will be exhibited on the hearing hereof, this defendant to sell and dispose of all oil as was run, from time to time, by them, and received by this defendant, into its pipe line for transportation, at the posted price for said oil, on dates of said sales, and likewise authorizing this defendant to become a purchaser thereof at the daily posted market price thereof, as received; that said oil (five-sixths thereof belonging to the Producers Oil Company), as was sold from time to time, as received and delivered into its pipe line for the prices as reflected by the daily posted market prices, which prices were the fair and reasonable price or prices, or value or values, of said oil at the time and when made as aforesaid, and as shown by bill of particulars hereto annexed, marked Exhibit "A." That the total oil from said lease run into its pipe line on various and divers occasions and dates, from the 26th day of May, 1911, up to and including the 30th day of June, 1917, amounts in the aggregate to ninety-eight thousand six hundred twenty-one and 10-100 (98,621.10) barrels of oil.

Of the proceeds of the sales of five-sixths (5-6) of such oil, as aforesaid, there was paid by this defendant to the Producers Oil Company, for its said five-sixths (5-6) of said oil, Sixty-four thousand five hundred eighty-four and 16-100 (\$64,584.16) Dollars, and that the balance of the said oil, to-wit: the two-eightieths (2-18) and one-eighteenth (1-18) of the royalty interest, respectively, of said Henry Hunsicker and C. J. Greene, Jr., amounting in the aggregate to sixteen thousand four hundred thirty-six and 87-100 (16,436.87) barrels of oil, is held in suspense by this defendant, for account of said Henry Hunsicker and said Charles J. Greene, Jr., excepting a small sum at one or more times paid to said Henry Hunsicker, all of which will be more

fully shown by a statement of such oil received in its pipe line, marked Exhibit "A," hereto annexed
 13 and made a part hereof, and to be further shown by the sales orders to be produced on the hearing hereof.

13

V.

Defendant further avers, that it accepted said oil as it was run into its pipe line from the lands under the lease of said Henry Hunsicker and said C. J. Greene, Jr., to the said Producers Oil Company, in good faith, and for the respective accounts of all parties to said lease, into its pipe line for transportation, and bought said five-sixths (5-6) of the same in good faith, believing, and as it still believes, that said Producers Oil Company is the lawful owner thereof.

VI.

Defendant further avers, that it does not know, and is not informed, which one of the well or wells drilled on said property is, or are, on the land, in controversy, but, that said oil so received from said Producers Oil Company, said Henry Hunsicker and said C. J. Greene, Jr., into its pipe line, was not received or taken into its pipe line from any particular, separate or distinct, or designated, well or wells, but that all of said oil was run from and taken from all wells drilled on said leased premises producing oil, from said leased premises, without reference to any particular or designated well, and that it is unable to state, with any degree of particularity or certainty, the amount of oil run from any, or from each, of the wells drilled on the property involved in dispute in this cause, into its pipe line, and that prior to taking said oil into its pipe line it was advised that the ownership

of the land upon which said wells were drilled, was lawfully vested in the said Henry Hunsicker and said C. J. Greene, Jr., by good and valid title, and that such oil was so taken into its pipe line in the belief, and in good faith, that this was and is the fact.

Wherefore, defendant, having made full and complete answer to the matters and things required of it in plaintiff's bill of complaint, prays that said bill of complaint be dismissed, and for judgment in its behalf for all costs incurred herein.

14 And, finally, defendant prays for all general and equitable relief in the premises, and for all such as it may be entitled to from the evidence and facts adduced on the trial hereof, and for all necessary orders and decrees as may seem proper in equity and good conscience, and from the nature of this case.

As it ever prays.

HAMPDEN STORY,
Solicitor for The Texas
Company.

Indorsed:—Answer of The Texas Company, Defendant. Filed Aug. 23, 1917.

15 In the District Court of the United States for
the Western District of Louisiana, Shreve-
port Division.

United States of America, Plaintiff,
vs. No. 1156 In Equity.
Henry Hunsicker, Charles J. Greene, Jr., Producers Oil
Company, The Texas Company.

The answer of the Producers Oil Company to the bill
of complaint herein.

Now comes Producers Oil Company, one of the defend-
ants herein, and for answer thereto says:

I.

It is admitted that on or before the 15th day of De-
cember, 1908, plaintiff was the owner of, as part of its
public domain, the tract of land described as Lots Two
(2) and Three (3) of Section Eight (8), Township Twen-
ty (20) North, Range Sixteen (16) West, situated in the
Parish of Caddo, State of Louisiana, as shown by plat
of survey approved March 28, 1917, by Clay Tallman,
Commissioner of the General Land Office, and Ex-Officio
Surveyor General of the State of Louisiana; and that on,
and prior to the aforesaid date, plaintiff was the owner
and entitled to the possession of the above described land,
and likewise of all the oil, petroleum, gas, and other min-
erals therein contained.

Defendant shows that the aforesaid survey insofar as it
related to the above described property is illegal, null
and void, and that in making, or causing to be made, and
approved, said survey, as to said land, the Commission-
er of the General Land Office acted beyond his powers,

jurisdiction, rights, or authority, inasmuch as the said land at the time of the purported resurvey was not public land of the United States, subject to survey, but was, and still is, in the just and equitable ownership of Henry Hunsicker, and Charles J. Greene, Jr., as mineral locators, under the placer mining laws of the United States, as will be hereinafter specially shown.

II.

It is especially denied that the withdrawal order of December 15, 1908, referred to in the Second Article of the bill of complaint, included the lands herein involved, and specially is it averred, if the said withdrawal order should be construed to embrace and include the land, herein involved, that the said withdrawal order did, nor did it, purport, or intend, to withdraw the said land from location and purchase under the mining laws of the United States.

It is admitted that on the 2nd day of July, 1910, the President of the United States, acting by and through the Secretary of the Interior, issued a proclamation ratifying, confirming, and continuing in full force and effect the previous order of withdrawal of December 15, 1908, but, as aforesaid, it is denied that the said previous orders of withdrawal included and embraced the land, herein involved, or if it did include and embrace the land, herein involved, it affected the rights of any citizen to locate and purchase the same under the mining laws of the United States.

It is admitted neither of the said orders of withdrawal has ever been vacated, but, as aforesaid, it is denied that either of said orders of withdrawal affected the land in suit, and it is specially reiterated that the withdrawal order of December 15, 1908, did not, nor did it, purport to, withdraw the said land, if it should be held to be in-

cluded in the withdrawal order, under the placer mining laws of the United States, or purchased under said laws; but it is averred that the said land remained thereafter free and open to exploitation for oil, gas, or other minerals, and to location and purchase under said mineral laws.

III.

Defendant denies that it, or its authors, in title, in violation of said orders of withdrawal and in violation of the rights of plaintiff, or contrary to its laws, and, or, without any valid and lawful right or authority, or in bad faith, entered upon and took possession of the property involved in this suit, for the purpose of drilling thereon for oil or gas, but defendant shows, as herein-after specifically set forth, that it entered upon said property, in good faith, under a mineral lease executed by Henry Hunsicker and Charles J. Greene, Jr., to it, of date March 28, 1910, for the purpose of exploiting the land described in said lease for oil and gas, and that its

17 said entry, and that of its authors, the said Henry Hunsicker and Charles J. Greene, Jr., upon said property was legal and valid, and under direct authority of the mining laws of the United States, permitting the exploitation and purchase of lands containing oil or gas, and under and by virtue of a valid location thereof, and under which location wells known as Hunsicker Nos. 1 and 2, referred to in Article III of the bill of complaint were drilled by this defendant, the drilling of which wells was under authority of said mining laws and not to the injury of the plaintiff.

IV.

Defendant admits that on or prior to December 15, 1908, it was not in possession of said land, but defendant

specially shows that prior to July 2, 1910, as hereinafter more fully appears, it, as lessee of said Henry Hunsicker and said Charles J. Greene, Jr., co-defendants, were in the bona fide and actual possession of said land in diligent prosecution of work thereon leading to the discovery of oil and gas, and that such discovery was in fact made prior to the withdrawal order of July 2, 1910, by this defendant as lessee of the said Henry Hunsicker and Charles J. Greene, Jr.

V.

Defendant avers that, on the 20th day of March, 1910, the said Henry Hunsicker made a location, under the mining laws of the United States, for the fractional southwest quarter (SW4) of Northeast quarter (NE4) and fractional Northwest quarter (NW4) of Southeast quarter (SE4), and the said Charles J. Greene, Jr., on said March 20, 1910, made a location, under said laws, to the Southwest quarter (SW4) of the Southeast quarter (SE4) of Section Eight (8), Township Twenty (20) North, Range Sixteen (16) West, Louisiana Meridian, the said lands at the date of their respective locations being vacant surveyed lands of the United States, and that notices of locations were on that date posted upon said land by Henry Hunsicker and C. J. Greene, Jr., on each of their respective locations, and each of whom on that date took possession thereof, and that on the 22nd day of March, 1910, said Henry Hunsicker and said C. J. Greene, Jr., each filed notices of their respective locations for record in the Conveyance Record Book 59. page 216, of the Office of the Clerk and Ex-Officio Recorder of the Parish of Caddo, State of Louisiana; that on that date the said lands, being vacant lands of the United States not withdrawn from location under

the placer mining laws of the said United States, were, under said laws, free and open to exploration, location and purchase, and that the said Henry Hunsicker and the said Charles J. Greene, Jr., availed themselves of these laws, and, as qualified citizens of the United States, made each of such locations.

Defendant shows that it entered into the actual possession of said property under and by virtue of a lease executed by said Henry Hunsicker and Charles J. Greene, Jr., to it, of date March 28, 1910, and commenced operations for the exploitation of said lands for oil and gas, and the discovery of the same.

Defendant further avers that under and by virtue of said mineral lease, it entered upon said tract of land, under possession given to it by said Henry Hunsicker and Charles J. Greene, Jr., and drilled two wells thereon, designated as Hunsicker Nos. 1 and 2, and from the products of which wells this defendant obligated itself to pay, or deliver, to the said Henry Hunsicker and Charles J. Greene, Jr., a royalty from wells, producing oil and One Hundred (\$100.00) Dollars, per annum, from each well from which gas is marketed or used off the leased premises, as provided in said lease.

Defendant shows that having taken possession of said leased property, work for the drilling of a well was promptly and diligently begun, leading to the discovery of minerals, and that, from such work or effort on its part, on the 20th day of June, 1910, gas was discovered in large quantities in said well designated as Hunsicker No. 1, aforesaid, as will be hereinafter shown.

VI.

Defendant denies that it is an unlawful trespasser upon said tracts of land, or any portion or part thereof, here-

in involved, but avers that its possession thereof is under lawful authority and permission through and by the said Henry Hunsicker and the said C. J. Greene, Jr., the equitable and lawful owners of said lands, leased unto it, with the right granted to it to drill as many wells thereon as it deems proper, and as its lessors might or could do, and to operate for and produce oil and
 19 to dispose of such oil and gas so produced therefrom.

VII.

Defendant, as aforesaid, specially denies that it acted in bad faith in the premises; but avers that all of its acts of possession and conduct were in good faith, it holding under the said Henry Hunsicker and said C. J. Greene, Jr., as locators, in good faith, of the lands in controversy, leased to this defendant, made under the laws of the United States; and, this defendant further denies that the lands in controversy, and the oil and gas, or the oil or gas, taken therefrom, exceeds the sum of Forty Thousand (\$40,000.00) Dollars, as will be hereinafter shown.

VIII.

Defendant further avers, that it drilled three (3) wells upon the property described in the lease of the said Henry Hunsicker and C. J. Greene, Jr., heretofore referred to, designated as Hunsicker wells Nos. 1, 2 and 3; that it started and commenced operations for the drilling of a well designated as Hunsicker No. 1, May 8, 1910, and discovered gas in paying quantities, June 20, 1910; and prior to the withdrawal order of date July 2, 1910; that said well produced gas in paying quantities, and that this defendant continued work on said well in an attempt and effort to drill the same deeper for the purpose of produc-

ing oil, and that said work thereon continued, on said well, up to March 11, 1911, and that failing to find oil through said well, it thereafter abandoned work thereon, and removed its machinery from said well to a location for the drilling of what is known as Hunsicker No. 2; completing said well May 20, 1911, as an oil producing well; defendant says, that, though said Well No. 1 produced gas in large quantities, none of said gas was used or utilized, or sold, by this defendant, and that said well finally "petered out" and ceased to produce any gas.

That there was produced from the property leased by this defendant, from May 26, 1911 to June 30, 1917, inclusive, ninety-eight thousand six hundred 20 twelve and 07-100 (98,612.07) barrels of oil, of the value of Seventy-seven thousand five hundred one and 91-100 (\$77,501.91) Dollars, as shown by statements marked Exhibits "A" and "B" hereto annexed and made parts hereof; and that of the total oil produced upon the leased premises there was produced from and out of said Hunsicker Well No. 2, drilled on the land, in controversy, between May 26, 1911, and June 30, 1917, inclusive, seventy thousand five hundred sixty-six and 18-100 (70,566.18) barrels of oil, of the value of Forty-eight thousand four hundred twenty-eight and 49-100 (\$48,428.49) Dollars, as shown by the said exhibits aforesaid; the preparation of the said Producers Oil Company, in said oil, being five-sixths (5-6), and the proportion of the said Henry Hunsicker and C. J. Greene, Jr., being one-sixth (1-6), to be divided among them as their interests herein appear.

Defendant files herewith a statement of the oil produced and the price for which five-sixths (5-6) of the same was sold, at various and divers times between the said May 26, 1911, and June 30, 1917, inclusive, the other one-sixth (1-6) of such oil being held in suspense by The

Texas Company, all of which will be more fully shown by reference to the exhibits marked "A" and "B", hereinabove referred to and hereto annexed and made parts hereof.

IX.

The Producers Oil Company, defendant herein, in the alternative further shows, that the cost and expenses incurred and paid for the drilling and equipping of said wells Hunsicker Nos. 1 and 2, amount, for the drilling of Hunsicker No. 1, to Seventeen thousand four hundred eighty-eight and 07-100 (\$17,488.07) Dollars, and work thereon and thereabout in drilling the same deeper for oil, as shown by Exhibits "B" and "C" respectively, hereto annexed and made parts hereof, and for the drilling of well Hunsicker No. 2, Eight thousand sixty-six and 97-100 (\$8,066.97) Dollars, and that the operating expenses in maintaining said well No. 2, and handling its production, amounts, up to June 30, 1917, to Twenty-eight thousand four hundred seventy and 75-100 (\$28,470.75) Dollars, making the total cost and expenditure, for the drilling of said well and the operations thereof, Thirty-six thousand five hundred thirty-seven and 72-100 (\$36,537.72) Dollars, aggregating the cost of drilling said wells Nos. 1 and 2, and expenses of operating said well No. 2,

21 the sum of Fifty-four thousand twenty-five and 79-100 (\$54,026.79) Dollars, as shown by bills of particulars hereto annexed and made parts hereof, and marked Exhibits "B," "C" and "D."

X.

And defendant, Producers Oil Company, further and specially avers, and in the alternative, that it drilled the said Hunsicker Wells Nos. 1 and 2 under said lease made by the said Henry Hunsicker and C. J. Greene, Jr., of

date March 28, 1910, as aforesaid, and took possession thereof for the purpose of developing same for oil and gas, acting in good faith and in the belief that the title of said land was validly and legally vested in the said Henry Hunsicker and C. J. Greene, Jr., as owners, and as lawful locators thereof under the placer mining laws of the United States, and that all of its acts and conduct, as well as those of the said Henry Hunsicker and C. J. Greene, Jr., were in absolute good faith, and that, in the event it should be held that the plaintiff is the owner of said tracts of land, herein involved, that the Producers Oil Company should be, and is entitled to be, reimbursed the entire cost of drilling, equipping, maintaining and operating said Hunsicker Wells Nos. 1 and 2, as aforesaid, before it can be held liable for any oil or gas extracted therefrom.

XI.

Defendant reserves the right to amend this answer and to file a statement of the oil produced from well Hunsicker No. 2 and the expenses of operating the same from June 30, 1917, up to the hearing of this cause.

XII.

Defendant avers that it desires that there should be reserved to it the right to sue the said Henry Hunsicker and the said C. J. Greene, Jr., in warranty, for the return of the price paid them by this defendant for the lease aforementioned and all damages it may suffer in the event of its eviction from the property in controversy.

Wherefore, having thus made full answer to all of the matters and things made in the bill of complaint, this defendant prays that the said bill be dismissed, and for judgment for its costs in this behalf incurred.

And in the alternative, in the event the Court should hold that the plaintiff is the owner of the tracts of land, or property, in controversy, then defendant, Producers Oil Company, prays that it be adjudged not liable to plaintiff on account of the oil or gas taken or extracted from said property until plaintiff shall have reimbursed defendant for the drilling, maintaining, equipping and operating of the wells from which gas or oil were produced, and all incidental charges in handling, preserving, storing and transporting said oil, and that, in the event, if this relief be refused, that it be adjudged that the cost and expenses of drilling, equipping, maintaining and operating said wells be in excess of the value of the total oil produced therefrom, that this defendant, or either of them, are not to be liable to the plaintiff in and for any amount.

And defendant further prays that, in the event that the said tracts of land be declared in the ownership of the plaintiff, and the locations made by said Henry Hunsicker and said C. J. Greene, Jr., under the mining laws of the United States, be held invalid, there should be reserved to this defendant its rights to sue said Henry Hunsicker, and said C. J. Greene, Jr., for the return of the price paid to them, or either of them, for the lease to the lands herein, in controversy, and described in said lease, and for all such damages as it may be occasioned by its eviction from said tracts of land, or any part thereof.

And, finally, defendant further prays for all necessary orders in the premises, and for all general and equitable relief, and for all such as it may be entitled to from the facts and the evidence which may be adduced on the trial hereof.

HAMPDEN STORY,

Solicitor for Producers Oil Co.

Indorsed:—Answer of Producers Oil Co., Defendant.
Filed Aug. 23, 1917.

23 In the District Court of the United States for
the Western District of Louisiana.

United States of America, Plaintiff,
vs. No. 1156 In Equity.
Henry Hunsicker, Charles J. Greene, Jr., Producers Oil
Company, The Texas Company.

1.

Now into this Honorable Court comes the United States of America, plaintiff in the above numbered and entitled cause, appearing herein and represented by its Solicitor, Robert A. Hunter, Special Assistant to the Attorney General, and renewing and reaffirming the allegations and prayer of the original bill of complaint filed herein, for reply to the set off and counterclaim asserted by the Producers Oil Company in its answer herein, denies all the allegations of the said defendant's answers, and, particularly, paragraphs 9, 10, 12 and the prayer of said answer, as well as all other portions thereof, relating to the said set off and counterclaim.

2.

Plaintiff shows that the said defendant is not entitled to any set off or counterclaim whatever in the premises. Further replying, plaintiff avers that the said defendant entered upon the land described in the bill of complaint herein, drilled a well thereon, and extracted and removed oil and gas therefrom, as alleged in the bill of complaint,

in bad faith, and said defendant was a wilful and knowing trespasser on said land.

3.

Plaintiff further shows, in the alternative, that even if the said defendant is entitled to a set off or counterclaim in any amount, which is denied, the sum claimed by defendant is excessive and should not be allowed.

Wherefore, plaintiff prays that the set off and counterclaim asserted by the said defendant be denied and disallowed, and that plaintiff have relief in the premises as prayed for in the bill of complaint herein.

ROBERT A. HUNTER,

Special Assistant to the Attorney General.

Indorsed:—Plaintiff's Reply to Defendant's (Producers Oil Company) Set off and Counterclaim. Filed Aug. 25, 1917.

25 In the District Court of the United States, for
the Western District of Louisiana, Shreve-
port Division.

United States of America,

Plaintiff.

vs.

No. 1156, In Equity.

Henry Hunsicker, Charles J. Greene, Jr., Producers Oil
Company, The Texas Company,

Defendants.

The answer of Charles J. Greene, Jr., one of the de-
fendants herein, to the bill of complaint respectfully shows:

I.

It is admitted that on and before December 15, 1908, the plaintiff was the owner as a part of its public domain, of the tract of land which is described as Lots Two (2) and Three (3) of Section Eight, Township Twenty (20) North, Range Sixteen (16) West, Louisiana Meridian, situated in the Parish of Caddo, Western District of Louisiana, as shown by plat of survey approved March 28, 1917, by Clay Tallman, Commissioner of the General Land Office and Ex-officio Surveyor General for the State of Louisiana; and that on and prior to the aforesaid date, plaintiff was the owner and entitled to the possession of the above described land, and, likewise, of all oil, petroleum, gas and other minerals therein contained.

Defendant shows, however, that the aforesaid survey, in so far as it related to the above described property is illegal, null and void; and that, in making and approving said survey as to said land, the Commissioner of the General Land Office acted beyond his power, jurisdiction,

right or authority, inasmuch as the said land at the date of the said purported resurvey was not public land of the United States subject to survey, but was, and still is, in the full equitable ownership of the defendants as mineral locators, as will be hereinafter specifically shown.

II.

It is specially denied that the withdrawal order of December 15, 1908, referred to in the Second Article of the bill of complaint included the land herein involved, and should it be held that the said withdrawal order did include the land herein involved, then it is shown that the said withdrawal order did not, nor did it purport to withdraw the said land from location and purchase under the mining laws of the United States.

It is admitted that on the second day of July, 1910, the President of the United States, acting by and through the Secretary of the Interior, issued a proclamation, ratifying, confirming and continuing in full force and effect, the previous order of withdrawal of December 15, 1908, but, as aforesaid, it is denied that the said previous order of withdrawal included and embraced the lands herein involved; or, if it did include the land herein involved, that it affected the rights of any citizen to locate and purchase the same under the mining laws of the United States.

It is admitted that neither of said withdrawal orders has ever been vacated, but, as aforesaid, it is denied that either of said withdrawal orders affected the land in this suit, and it is specially re-iterated that the withdrawal order of December 15, 1908, did not, nor did it purport to withdraw the said land, if it should be held to be included in the withdrawal order, from location under the placer mining laws of the United States, or purchased

under said laws; but, it is averred that the said land remained thereafter free and open to exploration for oil, gas and other minerals and to location and purchase under said mineral laws.

III.

Defendant denies that, in violation of said order of withdrawal and in violation of the rights of the plaintiff, or contrary to its laws, or without any valid title, lawful right or authority or in bad faith, that he entered upon and took possession of the property involved in this suit for the purpose of drilling thereon for oil or gas, but defendant shows that, as hereinafter specifically set forth, his entry upon said property was legal and valid and under direct authority of the mining laws of the United States, permitting location, exploration and purchase of lands containing oil or gas, and under and by virtue of a valid location thereof, under which location

the wells referred to in this article of the bill
 27 of complaint were drilled; the drilling of which wells was under the authority of the said mining laws and not to the injury of the plaintiff.

IV.

Defendant admits that on and prior to December 15, 1908, he was not in possession of said land; but defendant specially shows that prior to July 2, 1910, as hereinafter more fully appears, he, through his lessee, the Producers Oil Company, was in the actual possession of said land as a bona fide occupant thereof, in diligent prosecution of work thereon, leading to the discovery of oil and gas; and, that such discovery was in fact made prior to the withdrawal order of July 2, 1910.

V.

Defendant shows that on March 20, 1910, he made a location under the mining laws of the United States of the Southwest quarter (SW $\frac{1}{4}$) of the Southeast quarter (SE $\frac{1}{4}$) of Section Eight (8), Township Twenty (20) North, Range Sixteen (16) West, Louisiana Meridian, the same being vacant surveyed lands of the United States and that notices of location were on that date posted upon the said land, of which defendant on that date took possession; and that, on March 22, 1910, notice of said location was filed for record in the Conveyance Records of Caddo Parish, Louisiana; that, on that date the said land, being vacant land of the United States, not withdrawn from location under the mining laws of the United States, was under said laws, free and open to exploration, location and purchase; and that, availing himself of these laws, defendant, as a qualified citizen of the United State, made such valid location.

Defendant shows that, being in actual possession of said property under said location and under the laws of the United States, and not being able, financially, to perform the actual work necessary to drilling wells for oil and gas thereon, the cost of which in the particular territory in which the said land is located being very high, he did, on March 28, 1910 execute a valid mineral lease on said property in favor of the Producers Oil Company, which said lease was recorded in the Conveyance records of Caddo Parish, Louisiana.

Defendant shows that, under and by virtue of said lease and that said valid location, the Producers Oil Company entered upon the said property under possession given by him, and drilled wells thereon, from the proceeds of which wells, however, the royal-

ties due this defendant were withheld, and are now being withheld by the said Producers Oil Company.

Defendant shows that, having taken possession of the said property through the said lessee, work was promptly and diligently begun, leading to the discovery of minerals, and that on June 20, 1910, gas was discovered thereon in paying quantities, thereby completing the location and investing this defendant with all the rights of a mineral locator under the laws of the United States, to-wit, with the full equitable title to the said property, and the right to purchase the patent, which patent has been denied in spite of his efforts to obtain same, on account of the illegal construction placed upon the withdrawal orders above referred to, by the officers of the United States Land Office.

VI.

Defendant denies that he is an unlawful trespasser upon said land, but avers that his possession is legal and that he is the equitable owner of said property, with the right to drill as many wells thereon as he deems proper, and to operate, sell, and dispose of the oil and gas produced therefrom.

VII.

Defendant, as aforesaid, specially denies that he acted in bad faith in the premises, but avers that all of his acts of possession and location were in good faith and in conformity with his rights as previously set forth.

Wherefore, this defendant having made full and complete answer to the bill of complaint, prays that the said bill be dismissed, and that he be discharged with all costs herein sustained.

He further prays for all necessary orders, for equitable and general relief,

MILLS & COOK,
Solicitors for Defendant, Chas.
J. Greene.

Indorsed: Answer of Charles J. Greene, Jr. Mill & Cook, Attorney at Law, Sheveport, La. Filed Sept. 29, 1917.

B.

29 United States District Court for the Western
District of Louisiana, Shreveport Division.

United States of America,
versus No. 1156.
Henry Hunsicker, Charles J. Greene, Jr., Producers Oil
Company, The Texas Company.

Now comes the defendant, Producers Oil Company, and supplements with leave of Court, its answer heretofore filed herein, by averring that the production of oil from wells drilled on the property, in controversy, from July 1, 1917, to December 31, 1917, inclusive, amounts to five hundred and four and 48-100 (504.48) barrels, and that the expenses and costs of operating the same amount to one thousand five hundred sixty-eight and 97-100 (\$1,568.97) Dollars, as shown by statement of production and expenses, marked Defendant's Exhibit "A-1" hereto attached and made a part hereof.

Wherefore defendant prays that it be allowed to file said supplemental answer and the statement attached hereto; and for all general relief, and for all such other orders and decrees as may be meet and proper in the premises.

HAMPDEN STORY,
Attorney for Producers Oil Co.

30 **STATEMENT OF EXPENDITURES & RECEIPTS FROM HUNSICKER WELL NO. 2 AS OF DECEMBER 31st, 1917.**

Receipts in excess of expenditures as per statement previously rendered as of June 30th, 1917,	3,844.67
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Expenditures July 1, 1917 to Dec. 31st, 1917 as per statement attached	1,568.25
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Receipts July 1, 1917 to Dec. 31st, 1917 as per statement attached	816.84
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Expenditures in excess of receipts July 1st, 1917 to December 31st, 1917	751.41
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Receipts in excess of expenditures from beginning to Dec. 31st, 1917	\$3,093.26
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Exhibit A-1

Sheet 1.

Statement of Cost or Drilling Hunsicker Well No. 2 and estimate of operating expenditures from completion to December 31st, 1917, as furnished by C. P. Clayton.

Total Cost of drilling well No. 2 and estimate of June 30th, 1917 as per statement previously rendered	36,537.72
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July, 1917, operating expenditures	395.25
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Aug. 1917, operating expenditures	395.25
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Sept. 1917, operating expenditures	382.50
------------------------------------	--------

Oct. 1917, operating expenditures	395.25
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November, 1917, not operated	
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December, 1917, not operated	1,568.25
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Total expenditures as of Dec. 31st, 1917	\$38,105.97
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Exhibit A-1

Sheet 2.

31 Statement of Oil Run from Hunsicker No. 2
from July 1st, 1917, to Dec. 31st, 1917, com-
puted from percentage furnished by C. P.
Clayton.

1917	Percent	Barrels Gross	Royalty Bbls.	Net Barrels	Price	Amount
July	.676	287.60	47.94	239.66	1.90	455.36
August	.513					
September	.536					
October	.513	216.88	36.14	180.74	2.00	361.48
November						
December						
		504.48	84.08	420.40		816.84

Total receipts to June 30th, 1917	40,382.39
Total receipts to Dec. 31st, 1917	41,199.23

Exhibit A-1.
Sheet 3.

Statement of Operating Expenses.

Hunsicker Lease Proportioned to Wells.
July 1st to Dec. 31st, 1917 Incl.

1917	Hunsicker No. 2	Hunsicker No. 3
July	\$395.25	\$395.25
August	395.25	395.25
September	382.50	382.50
October	395.25	395.25
November	.....	.....
December	.....	.....
Total	\$1568.25	\$1568.25

Exhibit A-1
Sheet 4.

32 Statement of Oil run from Hunsicker Lease from
July 1st, 1917, to December 31st, 1917.

		1/8	5/6		
	Gross	Royalty	Net	Price	Amount
	Barrels	Barrels	Barrels		
1917					
July	425.44	70.91	354.53	1.90	673.61
Aug.					
Sept.					
Oct.	422.76	70.46	352.30	2.00	704.60
Nov.					
Dec.					
	848.20	141.37	706.83		\$1,388.21

Exhibit A1.
Sheet 5.

Indorsed:—Answer of Producers Oil Co., with Statements of production and operating expense from June 30, 1917, to Dec. 31, 1917. Filed Feb. 25, 1918.

33 (INTERROGATORIES PROPOUNDED BY
PLAINTIFF TO PRODUCERS OIL COM-
PANY AND THE TEXAS COMPANY).

1.

State whether or not the Producers Oil Company drilled on Lots 2 and 3 of Section 8, T. 20, N. R. 16 W., the wells known as Hunsicker Nos. 1 and 2.

2.

State when the said wells were commenced and when they were completed.

3.

Did said wells produce oil, and was said oil or the proceeds of the sale thereof, converted to the use and benefit of the defendants in this cause?

4.

During what period were said wells operated in the production of oil, and when, if at all, did they cease to produce oil?

5

State how much oil was extracted and removed by the Producers Oil Company, or any other defendant, from the land in controversy, (a) from the time said wells began producing up to July 1, 1917, and (b) from July 1, 1917, to January 1, 1918.

6.

State whether or not the said wells were operated in the production of oil as entities, or in connection with other wells on the same or different tracts of land.

7.

Was a separate and complete record kept by the Producers Oil Company, or any other defendant, of the oil produced by Hunsicker Nos 1 and 2? If so, state how said record was kept, and attach to your answers a copy of said record. If your answer is in the negative, explain why such record was not kept.

8.

Was record of any kind kept by the Producers Oil Company or any other defendant, while said wells were in operation, showing the amount of oil produced therefrom, by the day, week, month, year, or any period? If not, state why no record of the production of such wells was kept.

34

9.

If you have said in answer to the foregoing interrogatories, that no record of any kind was kept of the production of said well, then state whether there is any way, or method, by which the actual, or approximate, production of said wells may be ascertained, if so, state such method.

10.

State whether or not the production of the wells in suit, as given in your answers to the preceding interrogatories, and in the answer of the Producers Oil Company to the bill of complaint herein, is exact, or is based upon an estimate of any kind.

11.

If said production is based upon an estimate of the quantity of oil produced by Hunsicker Nos. 1 and 2, in connection with other wells not in suit, then state (a) the total production of all wells operated in conjunction with Hunsicker Nos. 1 and 2, (b) where such wells are located, and (c) the name of all such wells.

12.

If the production of Hunsicker Nos. 1 and 2 as given in the answer of the Producers Oil Company to the bill of complaint, and in your answers to the preceding interrogatories, is estimative and not exact, then state the manner in which you arrived at, or figured, the production of such wells.

13.

What was the initial production of Hunsicker Nos. 1 and 2, and the total production, by months, or said wells during the period of their operation?

14.

State where and from whom the data, or information, relative to the production of said wells, as given in the answer of the Producers Oil Company to the bill of complaint herein, was obtained. Give names and addresses of persons from whom such data, or information was secured.

15.

35 What was the total value of the oil produced by the wells known as Hunsicker Nos. 1 and 2? State whether the value as given by you in your answer to this question is exact or approximate.

16.

Was not the oil taken from said wells sold by the Producers Oil Company to The Texas Company?

45

17.

What was the total price received by the Producers Oil Company for all the oil produced by the wells in controversy,

18.

What was the total price received by the Producers Oil Company for all the oil produced by Hunsicker Nos. 1 and 2, and any other wells that may have been operated in connection with said wells?

19.

Where and in what manner was the oil above mentioned delivered to the purchaser?

20.

Was not the oil delivered to the purchaser on the land where it was produced by transfer from a tank, or tanks, in which the oil was stored to a pipe line, and did not said pipe line belong to The Texas Company?

21.

What relation existed between the Producers Oil Company and The Texas Company at the time said oil was sold by the Producers Oil Company to The Texas Company?

22.

Is it not a fact that the Producers Oil Company sold all of the oil produced by it to The Texas Company during the time said wells were in operation?

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23.

State whether or not said corporations, namely, Producers Oil Company and The Texas Company, were, or not, managed by the same officers, or directors, and whether the management of each was not the same at the time of the production and sale of oil from said wells?

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24.

Was not the Producers Oil Company engaged in the drilling of wells and the production of oil, and was not The Texas Company engaged in the manufacture and sale of the oil produced by the Producers Oil Company at the time said wells were drilled and operated?

25.

What are the principal products manufactured from petroleum, or crude oil?

26.

State the total value, either exactly, if you know, or approximately if you do not know positively, of the products manufactured by The Texas Company from the oil taken from the land in controversy.

27.

State to what extent, if any, the Producers Oil Company participated in the profits derived from the manufacture of the oil taken from the land in controversy, and the amounts so received by it from such profits.

28.

How much money was paid as royalty by the Producers Oil Company or The Texas Company to Henry Hunsicker and Charles J. Greene, Jr., defendants herein, out of the proceeds of the sale of oil taken from the land in controversy?

29.

Did said wells produce any gas either in merchantable quantities or sufficient in amount for use in the operation of said wells or other wells? In either event, state what disposition was made of such gas and what was its value.

30.

State how much royalty Henry Hunsicker and Charles J. Green, Jr., received from the Producers Oil Company or The Texas Company out of the proceeds of the sale of oil taken from the land in controversy.

ROBERT A. HUNTER,

Special Assistant to the Attorney General.

Note: All of the above interrogatories to be answered by the Producers Oil Company and The Texas Company, except No. 30. Only Interrogatory No. 30, is to be answered by Henry Hunsicker and Charles J. Greene, Jr.

37 United States District Court for the Western
District of Louisiana, Shreveport Division.

United States of America, Complainant,
vs. No. 1156 In Equity.
Henry Hunsicker, Charles J. Greene, Jr., Producers Oil
Company, The Texas Company.

In the above entitled matter, now comes The Texas Company, one of the defendants, through its undersigned counsel, and on suggesting to the Court that the plaintiff had propounded to it interrogatories in writing for discovery as provided by Equity Rule 58, among which are the Interrogatories Nos. 25, 26, and 27. as follows:

Interrogatory No. 25: What are the principal products manufactured from petroleum, or crude oil?

Interrogatory No. 26: State the total value, either exactly, if you know, or approximately, if you do not know positively, of the products manufactured by The Texas Company from the oil taken from the land in controversy.

Interrogatory No. 27: State to what extent, if any, the Producers Oil Company participated in the profits derived from the manufacture of the oil taken from the land in controversy, and the amount so received by it from such profits.

Now, this defendant avers that it will fully appear from the bill of complaint and the answers herein filed on the part of The Texas Company, that the only facts and issues between the plaintiff and this defendant is the amount and value of the oil run into its pipe line by, or that may have been bought by it from the Producers Oil Company,

Henry Hunsicker and Charles J. Greene, Jr., produced from wells drilled on the property in controversy, the ownership of which is claimed by the plaintiff; that from the issues so tendered and made by the bill of complaint, the answers to these interrogatories could not, in any wise, tend to support the demands of the plaintiff against the defendant, and are, therefore, irrelevant, incompetent and immaterial to any issues or matters involved in said cause as between the plaintiff and this defendant; and an answer thereto would not elicit any fact or facts material, relevant or competent to the support of plaintiff's action, and that said interrogatories should and ought to be stricken out.

Wherefore, this defendant prays, that, after due consideration, said interrogatories be stricken out, and that this defendant be dispensed with the necessity of answering the same.

It prays for all such rules, orders and decrees; and for all costs and general relief.

HAMPDEN STORY,
Attorney for The Texas Company.

Service accepted. All rights reserved, this Feb. 11, 1918.

ROBERT A. HUNTER,
Spl. Asst. to the Atty. General.

Indorsed:—Motions to Strike Out Interrogatories Nos. 25, 26 and 27, Propounded to The Texas Company.

39 United States District Court for the Western
District of Louisiana, Shreveport Division.

United States of America,

vs.

No. 1156.

Henry Hunsicker, Charles J. Green, Jr., Producers Oil
Company, The Texas Company.

Now comes The Texas Company, and files herein the answers of said Company, through T. J. Donoghue, its Vice-President, to Interrogatories Nos. 21, 22, 23, and 24, and through R. J. Daniels, its Chief Accountant, to all other interrogatories, propounded by the plaintiff, in the above cause, excepting Interrogatories Nos. 25, 26 and 27, motion having been made to strike them out.

By its Attorney,

HAMPDEN STORY,

40 United States District Court for the Western
District of Louisiana, Shreveport Division.

United States of America, Complainant,

vs.

No. 1156 In Equity.

Henry Hunsicker, Charles J. Greene, Jr., Producers
Oil Company, The Texas Company.

In the above entitled cause, T. J. Donoghue, Vice-President of The Texas Company, appears and answers interrogatories propounded to The Texas Company as follows:

Interrogatory No. 21:

What relation existed between the Producers Oil Company and The Texas Company at the time said oil was

sold by the Producers Oil Company to The Texas Company?

Answer to Interrogatory No. 21:

The relation that existed between these two corporations was that of contract. There existed during that time a contract or contracts under which The Texas Company agreed to purchase from Producers Oil Company, and Producers Oil Company agreed to sell and deliver, all oil produced in the field where the wells involved in this suit are located, paying therefor the market or posted price. For a time there was a limit as to the minimum amount that The Texas Company undertook to buy and pay for, but this limit was not exercised as to the particular oil in controversy, and The Texas Company under said contract bought and paid for all the oil produced from the wells involved in this litigation.

Interrogatory No. 22:

Is it not a fact that the Producers Oil Company sold all of the oil produced by it to The Texas Company during the time said wells were in operation?

Answer to Interrogatory No. 22:

The Texas Company purchased all the oil produced by Producers Oil Company from the wells involved in this suit during the time the wells were operated by Producers Oil Company. It did not, however, during this period buy all the oil produced by Producers Oil Company everywhere. There was oil produced by that company and sold to other parties than The Texas Company.

Interrogatory No. 23:

State whether or not said corporations, namely, Producers Oil Company and The Texas Company, were, or

not, managed by the same officers or directors, and whether the management of each was not the same at the time of the production and sale of oil from said well?

Answer to Interrogatory No. 23:

The two companies, Producers Oil Company and The Texas Company, were not managed by the same officers or directors, and the management of each was not the same either before or during the time of the production by Producers Oil Company and the sale of the oil from said wells to The Texas Company, nor for that matter, has the management been the same since. The two companies have never been identical either in stock ownership, directors or officers, but have always had a different set of stockholders, directors and officers, and have maintained not only separate complete corporate organizations, but separate offices, equipment and assets, and this condition existed during the existence of both corporations.

Interrogatory No. 24:

Was not the Producers Oil Company engaged in the drilling of wells and the production of oil, and was not The Texas Company engaged in the manufacture and sale of the oil produced by the Producers Oil Company at the time said wells were drilled and operated?

Answer to Interrogatory No. 24:

The Producers Oil Company was engaged in the production and sale of crude oil, and The Texas Company was engaged in the sale of crude oil, as well as refining and the sale of refined products of crude oil. The Texas Company purchased from Producers Oil Company large amounts of crude oil produced by the latter, as it purchased likewise large amounts of oil produced by other producers, which oil it refined and sold.

42 This was during the time the wells involved
 in this litigation were drilled and operated by
Producers Oil Company.

T. J. DONOGHUE.

The State of Texas,
County of Harris.

I, H. Tomfohrde, a Notary Public, in and for the county of Harris, State of Texas, do hereby certify that the above witness, T. J. Donoghue, vice-president of The Texas Company, was by me duly sworn on oath to testify to the interrogatories propounded; that the deposition of the said witness was reduced to writing by me on a typewriter in the presence of said witness, and when completed was read over to the said witness, and subscribed by him in my presence; that the said depositions were taken in pursuance of an order of the United States District Court, as set forth in the caption hereof. I further certify that I am not of counsel or interested in any manner in this case.

In witness whereof I have hereunto set my hand and official seal, on this the 14th day of February, A. D. 1918, in the county of Harris, State of Texas.

H. TOMFOHRDE,

Notary Public in and for
Harris County, Texas.

My commission expires May 31, 1919.

43 United States District Court for the Western
 District of Louisiana, Shreveport Division.

United States of America, Complainant,

vs. No. 1156 In Equity.

Henry Hunsicker, Charles J. Greene, Jr., Producers Oil
Company, The Texas Company, Defendant.

In the above entitled matter, R. J. Daniel, who as Chief Accountant, had charge of the books of account of the Pipe Line Department of The Texas Company, and the books of account showing oils run to the pipe line of and purchased by The Texas Company from producers of oil including oils run to the pipe line of and purchased by The Texas Company from the wells included in this suit; that his title and position as Chief Accountant of the Pipe Line Department of The Texas Company continued up to July 1, 1917, at which time the pipe lines of The Texas Company in Louisiana, including pipe lines serving the wells involved in this suit, were transferred to a new corporation known as The Texas Pipe Line Company, but that the books of account showing oils run to the Pipe Line Department of The Texas Company and to The Texas Pipe Line Company together with the books of account showing oils purchased by The Texas Company included in both instances the wells involved in this litigation have remained in his custody and control up to this date, and who appearing answers the interrogatories propounded to The Texas Company (excepting Nos. 25, 26 and 27, a motion having been made to strike them out, and except interrogatories Nos. 21, 22, 23 and 24, which are answered by Mr. T. J. Donoghue) as follows:

Interrogatory No. 1:

State whether or not the Producers Oil Company, drilled on Lots 2 and 3 of Section 8, T. 20, N. R. 16 W., the wells known as Hunsicker Nos. 1 and 2.

Answer to Interrogatory No. 1:

The records of The Texas Company do not disclose whether or not the Producers Oil Company drilled the wells mentioned, but on information I am informed that it did.

44 Interrogatory No. 2:

State when the said wells were commenced and when they were completed.

Answer to Interrogatory No. 2:

The records of The Texas Company do not reflect when said wells were begun nor when they were completed.

Interrogatory No. 3:

Did said wells produce oil, and was said oil or the proceeds of the sale thereof, converted to the use and benefit of the defendants in this cause?

Answer to Interrogatory No. 3:

The records in my custody do not show the production of oil from any particular well but the records show that oil was run from the lease known as the lease of Henry Hunsicker and C. J. Green, Jr., to Producers Oil Company, and this oil was sold to The Texas Company by the Producers Oil Company, The Texas Company paying for the same.

Interrogatory No. 4:

During what period were said wells operated in the production of oil, and when, if at all, did they cease to produce oil?

Answer to Interrogatory No. 4:

The records in my custody do not reflect when the particular wells in question were operated for the production of oil nor when they ceased to produce but only reflect the runs of oil from the lease upon which these wells were located.

Interrogatory No. 5:

State how much oil was extracted and removed by the Producers Oil Company, or any other defendant, from the land in controversy, (a) from the time said wells began producing up to July 1, 1917, and (b) from July 1, 1917, to January 1, 1918.

Answer to Interrogatory No. 5:

The records in my custody show only the amount of oil that was run to the pipe line of The Texas Company from the lease of Hunsicker and Greene to the Producers Oil Company without reference to the production from any particular well or wells situated upon said lease. The records in my custody disclose that from the date at which the first oil was run to and received by the pipe line of The Texas Company from said lease
 45 and which runs include oil produced from all of the wells situated upon said lease to the date of July 1, 1917, is 98,621.10 barrels and that there was run from said lease to the pipe line of The Texas Company from July 1, 1917, to January 1, 1918, 848.20 barrels of oil.

Interrogatory No. 6:

State whether or not the said wells were operated in the production of oil as entities, or in connection with other wells on the same or different tracts of land.

Answer to Interrogatory No. 6:

The records in my custody disclose only the oil run to and received by the pipe line of The Texas Company as coming from the Hunsicker-Greene Lease and not as oil produced from any particular well situated upon said lease.

Interrogatory No. 7:

Was a separate and complete record kept by the Producers Oil Company, or any other defendant, of the oil produced by Hunsicker Nos. 1 and 2. If so, state how said record was kept, and attach to your answers a copy of said record. If your answer is in the negative explain why such record was not kept.

Answer to Interrogatory No. 7:

The records in my custody do not reflect that any separate or complete record of any kind or any record at all was kept of the separate production from any well situated on the Hunsicker-Greene lease and I have no knowledge as to whether or not any such record was kept by the other defendants.

Interrogatory No. 8:

Was a record of any kind kept by the Producers Oil Company, or any other defendant, while said wells were in operation, showing the amount of oil produced therefrom, by the day, week, month, year, or any period. If not, state why no record of the production of such wells was kept.

Answer to Interrogatory No. 8:

The records in my custody do not reflect that any record was kept while said wells referred to were in operation showing the amount of oil produced therefrom by the

46 day, week, month or year, but the records in my custody reflect that a record was kept of the oil and paid to it by The Texas Company for its run from the Hunsicker-Greene lease to the pipe line of The Texas Company from all of the wells on said lease, including the wells in controversy herein and other wells not in controversy herein, by the day, month and year; that it was not necessary or required that The Texas Company should keep any record of the separate production of any well from which oil was run to its pipe line or purchased by it.

Interrogatory No. 9:

If you have said in answer to the foregoing interrogatories, that no record of any kind was kept by you of the production of said wells, then state whether there is any way, or method, by which the actual, or approximate, production of said wells may be ascertained. If so, state such method.

Answer to Interrogatory No. 9:

From the standpoint of pipe line accounting it is not necessary to keep any record of a separate production of any particular well and I do not know by what method the actual or approximate production of any particular well might be ascertained.

Interrogatory No. 10:

State whether or not the production of the wells in suit, as given in your answers to the preceding interrogatories, and in the answer of the Producers Oil Company to the bill of complaint herein, is exact, or is based upon an estimate of any kind.

Answer to Interrogatory No. 10:

The records in my custody, as heretofore testified to, do not reflect the production of the wells in question nor

of any particular well and I have no knowledge as to the method by which the production from these wells has been figured.

Interrogatory No. 11:

If said production is based upon an estimate of the quantity of oil produced by Hunsicker Nos. 1 and 2, in connection with other wells not in suit, then state (a) the total production of all wells operated in conjunction with Hunsicker Nos. 1 and 2, (b) where such wells are located, and (c) the names of all such wells.

47 Answer to Interrogatory No. 11:

The quantities of oils given in these answers represent oil run to the pipe line of The Texas Company from the Hunsicker-Greene lease and the records in my custody do not reflect nor have I any knowledge of the total production of all wells operated in conjunction with all wells in controversy herein nor where such wells are located or their names, except as possibly the names of the wells as certain specific runs might be reflected by the run tickets.

Interrogatory No. 12:

If the production of Hunsicker Nos. 1 and 2 as given in the answer of the Producers Oil Company to the bill of complaint, and in your answers to the preceding interrogatories, is estimative, and not exact, then state the manner in which you arrived at, or figured, the production of such wells.

Answer to Interrogatory No. 12:

The answers given by me to the preceding interrogatories do not state any separate production for the wells in controversy herein but reflect only the quantity of oil

that have been run to and received by the pipe line of The Texas Company from the Hunsicker-Greene lease and without reference to the separate production of any particular well.

Interrogatory No. 13:

What was the initial production of Hunsicker Nos. 1 and 2, and the total production, by months, of said wells during the period of their operation.

Answer to Interrogatory No. 13:

The records in my custody do not reflect nor have I any knowledge or information as to the initial production of the wells mentioned.

Interrogatory No. 14:

State where and from whom the data, or information, relative to the production of said wells, as given in the answer of the Producers Oil Company to the bill of complaint herein, was obtained. Give names and addresses of persons from whom such data, or information was secured.

Answer to Interrogatory No. 14:

I am not informed as to where and from whom the data, or information relative to the production of said
48 wells as given in the answer of the Producers Oil Company to the bill of complaint herein was obtained.

Interrogatory No. 15:

What was the total value of the oil produced by the wells known as Hunsicker Nos. 1 and 2. State whether the value as given by you in your answer to this question is exact or approximate.

Answer to Interrogatory No. 15:

The records in my custody disclose that the total value of the oil run to the pipe line of The Texas Company from the Hunsicker-Greene lease from the date at which oil was first run to said pipe line to the date of January 1, 1918, is \$80,274.64, which is the market value of said oil.

Interrogatory No. 16:

Was not the oil taken from said wells sold by the Producers Oil Company to The Texas Company.

Answer to Interrogatory No. 16:

The oil run to the pipe line of The Texas Company from the Hunsicker-Greene lease and sold by the Producers Oil Company to The Texas Company was received into the pipe line of said Txeas Company from the measuring tanks of Producers Oil Company, situated upon said lease.

Interrogatory No. 17:

What was the total price received by the Producers Oil Company for all the oil produced by the wells in controversy.

Answer to Interrogatory No. 17:

The records in my custody do not reflect the payment to the Producers Oil Company of an amount representing the purchase price of oil produced from any particular well but show the amount of money paid for oil run to the pipe line of The Texas Company from the Hunsicker-Greene lease without reference to such oil having been produced from any particular well situated upon said lease.

Interrogatory No. 18:

What was the total price received by the Producers Oil Company for all the oil produced by Hunsicker Nos. 1 and 2, and any other wells that may have been operated in connection with said wells.

Answer to Interrogatory No. 18:

49 The records in my custody reflect that the total price received by the Producers Oil Company and paid to it by The Texas Company for its proportion of all the oil run to the pipe line of the Texas Company from all of the wells on the Hunsicker-Greene lease from the date at which oil was first run to said pipe line from said lease to January 1, 1918, to be the sum of \$67,257.21, which amount represents the purchase price of the Producers Oil Company's 5/6 interest in the total quantity of oil run to the pipe line of The Texas Company from the Hunsicker-Greene lease between the dates stated and which is shown with greater particularity upon the statement hereto annexed, marked exhibit "A", and made a part of this answer.

Interrogatory No. 19:

Where and in what manner was the oil above mentioned delivered to the purchaser.

Answer to Interrogatory No. 19:

The oil run to the pipe line of The Texas Company from the Hunsicker-Greene lease was delivered to said pipe line from the measuring tanks of Producers Oil Company, situated upon the said lease.

Interrogatory No. 20:

Was not the oil delivered to the purchaser on the land where it was produced by transfer from a tank, or tanks,

in which the oil was stored to a pipe line, and did not said pipe line belong to The Texas Company.

Answer to Interrogatory No. 20:

As stated in answer to interrogatory No. 19, the oil delivered to pipe line of The Texas Company was delivered to said pipe line from the measuring tanks of the Producers Oil Company, situated upon said lease and to which tanks said pipe line was connected.

(Interrogatories Nos. 21, 22, 23 and 24 are answered by Mr. T. J. Donoghue and Interrogatories Nos. 25, 26 and 27 are not answered, a motion having been made to strike them out).

Interrogatory No. 28:

How much money was paid as royalty by the Producers Oil Company or The Texas Company to Henry Hunsicker and Charles J. Greene, Jr., defendants herein, out of the proceeds of the sale of oil taken from the land in controversy.

50 Answer to Interrogatory No. 28:

The records in my custody disclose that of the total amount of oil run to the pipe line of The Texas Company, from the lease of Hunsicker and Green to the Producers Oil Company, that there is held by said The Texas Company as a credit balance in oil $1/6$ of said total amount, which said oil so held as a credit balance is held in the proportion of $1/18$ to the credit of Charles J. Greene, Jr., amounting to 5,526.08 barrels of oil of the market value of \$4,459.70 and $2/18$ of said oil to the credit of Henry Hunsicker, amounting to 11,052.14 barrels of oil of the market value of \$8,919.41, as of date Jan. 1, 1918.

Interrogatory No. 29:

Did said wells produce any gas either in merchantable quantities or sufficient in amount for use in the operation of said well, or other wells. In either event, state what disposition was made of such gas and what was its value.

Answer to Interrogatory No. 29:

The records in my custody do not disclose nor have I any information as to whether or not any of the wells situated upon the Hunsicker-Greene lease produced any gas whatsoever.

R. J. DANIEL.

The State of Texas,
County of Harris.

I, H. Tomfohrde, a Notary Public in and for the County of Harris, State of Texas, do hereby certify that the above witness, R. J. Daniel, was by me duly sworn, on oath, to testify to the interrogatories propounded; that the deposition of said witness was reduced to writing by me on a typewriter in the presence of said witness, and when completed was read over to the said witness and subscribed by him in my presence; that the said depositions were taken in pursuance of an order of the United States District Court, as set forth in the caption hereof. I further certify that I am not of counsel or interested in any manner in this case.

In witness whereof, I have hereunto set my hand and official seal, on this 14th day of February, 1918, in the County of Harris, State of Texas.

H. TOMFOHRDE,

(Seal)

Notary Public in and for
the County of Harris.
State of Texas.

My commission expires May 31, 1919.

51 Runs from the Producers Oil Company's Wells on
the Hunsicker & Green Property, Caddo Par-
ish, Louisiana.

Date	Producers' 5/6	Price	Amount
1911			
May	1,153.12	.55	\$ 634.22
June	4,035.28	.5788	2,335.62
July	4,251.34	.60	2,550.80
August	3,910.09	.4802	1,877.63
September	3,120.89	.4899	1,528.92
October	3,565.86	.50	1,782.93
November	2,884.72	.50	1,442.36
December	2,189.17	.50	1,094.58
1912			
January	3,080.87	.5691	1,753.32
February	1,589.18	.72	1,144.21
March	2,620.67	.72	1,886.88
April	1,143.62	.72	823.41
May	1,817.41	.7588	1,379.05
June	382.93	.77	294.85
July	1,213.48	.7901	958.77
August	1,536.97	.80	1,229.58
September	1,528.58	.80	1,222.86
October	1,579.95	.80	1,263.96
November	775.18	.83	643.40
December	1,946.58	.8872	1,727.01
1913			
January	380.92	.9297	354.14
February	386.08	.98	378.36
March	1,746.62	.98	1,711.69
April	1,853.02	.98	1,815.96
May	1,676.32	.98	1,642.79

June	1,448.76	.98	1,419.78
July	1,668.89	.9907	653.37
August	1,866.72	1.014	1,892.85
September	804.49	1.05	844.71
October	1,877.95	1.05	1,971.85
November	761.02	1.05	799.07
December	821.42	1.05	862.49

1914

January	1,578.86	1.04	1,657.80
February	683.17	1.05	717.33
March	761.36	1.05	799.43
April	1,446.26	1.05	1,518.57
May	712.32	1.05	747.94
June	767.16	1.05	805.52
July	821.74	1.00	821.74
August	779.00	.85	662.15
September	780.14	.80	624.11
October	742.64	.80	594.11
November	763.24	.80	610.59
December			

1915

January	624.58	.80	499.66
February	778.14	.80	622.51
March	733.36	.70	513.35
April	747.98	.60	448.79
May	731.34	.60	438.80
June	601.56	.60	360.94
July	.....	
August	708.20	.65	460.33
September	784.94	.75	588.71
October	.....	
November	785.37	1.00	785.37
December	775.51	1.20	930.61

1916			
January	.....	
February	699.92	1.30	909.90
March	554.77	1.55	859.89
April	.....	
May	395.56	1.55	613.12
June	730.25	1.55	1,131.89
July	.....	

52 Runs from The Producers Oil Company's Wells
on the Hunsicker & Green Property, Caddo
Parish, Louisiana.

Date	Producers' 5/6	Price	Amount
1916 (Cont'd)			
August	393.47	.90	\$354.72
September	362.29	.90	326.06
October	.....	
November	709.48	1.00	709.48
December	302.35	1.40	423.29
1917			
January	.....	
February	276.50	1.70	470.05
March	316.18	1.90	600.74
April	310.29	1.90	589.55
May	.....	
June	400.60	1.90	761.14
July	354.53	1.90	673.60
August	.....	
September	.....	
October	352.30	2.00	704.60

November
 December

82,883.46

67,257.21

RJD—EEG
 2/14/18.

Indorsed:—Answer of The Texas Co. to Interrogatories.
 Filed Feb. 15, 1918.

53 United States District Court for the Western
 District of Louisiana, Shreveport, Division.

United States of America

versus

No. 1156

Henry Hunsicker, Charles J. Greene, Jr., Producers Oil
 Company, The Texas Company.

Now comes Producers Oil Company, and files herein
 the answers of said Company, through C. N. Scott, its
 Vice-President, and Otto Hartung, its Chief Accountant,
 to interrogatories propounded by the plaintiff, in the
 above cause, excepting Interrogatories Nos. 25, 26 and
 27, motion having been made to strike them out, and
 excepting Interrogatories Nos. 21, 22, 23 and 24, which
 are answered by T. J. Donoghue, Vice-President of The
 Texas Company.

By Its Attorney,
 HAMPDEN STORY.

54 United States District Court for the Western
District of Louisiana, Shreveport Division.

United States of America, Complainant.

vs. No. 1156, In Equity.

Henry Hunsicker, Charles J. Greene, Jr., Producers Oil
Company, The Texas Company.

In the above entitled cause C. N. Scott, Vice-President of Producers Oil Company, appears and answers interrogatories propounded to Producers Oil Company as follows:

Interrogatory No. 21:

What relation existed between the Producers Oil Company and The Texas Company at the time said oil was sold by the Producers Oil Company to The Texas Company?

Answer to Interrogatory No. 21:

The relation that existed between these two corporations was that of contract. There existed during that time a contract or contracts under which The Texas Company agreed to purchase from Producers Oil Company, and Producers Oil Company agreed to sell and deliver, all oil produced in the field where the wells involved in this suit are located, paying therefor the market or posted price. For a time there was a limit as to the minimum amount that The Texas Company undertook to buy and pay for, but this limit was not exercised as to the particular oil in controversy, and The Texas Company under said contract bought and paid for all the oil produced from the wells involved in this litigation.

Interrogatory No. 22:

Is it not a fact that the Producers Oil Company sold all of the oil produced by it to The Texas Company during the time said wells were in operation?

Answer to Interrogatory No. 22:

The Texas Company purchased all the oil produced by Producers Oil Company from the wells involved in this suit during the time the wells were operated by Producers Oil Company. It did not however during this period buy all the oil produced by Producers Oil Company everywhere. There was 55 oil produced by that company and sold to other parties than the Texas Company.

Interrogatory No. 23:

State whether or not said corporations, namely, Producers Oil Company and The Texas Company, were, or not, managed by the same officers or directors, and whether the management of each was not the same at the time of the production and sale of oil from said wells?

Answer to Interrogatory No. 23:

The two companies, Producers Oil Company and The Texas Company, were not managed by the same officers or directors, and the management of each was not the same either before or during the time of the production by Producers Oil Company and the sale of the oil from said wells to The Texas Company, nor for that matter has the management been the same since. The two companies have never been identical either in stock ownership, directors or officers, but have always had a different set of stockholders, directors and officers, and have maintained not only separate complete corporate

organizations, but separate offices, equipment and assets, and this condition existed during the existence of both corporations.

Interrogatory No. 24:

Was not the Producers Oil Company engaged in the drilling of wells and the production of oil, and was not The Texas Company engaged in the manufacture and sale of the oil produced by the Producers Oil Company at the time said wells were drilled and operated?

Answer to Interrogatory No. 24:

The Producers Oil Company was engaged in the production and sale of crude oil, and The Texas Company was engaged in the sale of crude oil, as well as refining and the sale of refined products of crude oil. The Texas Company purchased from Producers Oil Company large amounts of crude oil produced by the latter, as it purchased likewise large amounts of oil produced by other producers, which oil it refined and sold. This

56 was during the time the wells involved in this litigation were drilled and operated by Producers Oil Company.

C. N. SCOTT.

The State of Texas,
County of Harris.

I, H. Tomfohrde, a notary public, in and for the County of Harris, State of Texas, do hereby certify that the above witness, C. N. Scott, vice-president of Producers Oil Company, was by me duly sworn on oath to testify to the interrogatories propounded; that the deposition of the said witness was reduced to writing by me on a typewriter in the presence of said witness,

and when completed was read over to the said witness and subscribed by him in my presence; that the said depositions were taken in pursuance of an order of the United States District Court, as set forth in the caption hereof, I further certify that I am not of counsel or interested in any manner in this case.

In witness whereof I have bereunto set my hand and official seal, on this the 14th day of February, A. D. 1918, in the county of Harris, State of Texas.

H. TOMFOHRDE,

Notary Public in and for
Harris County, Texas.

(Seal)

My Commission expires May 31, 1919.

57 United States District Court for the Western
District of Louisiana, Shreveport Division.

United States of America, Complainant,

versus No. 1156 In Equity.

Henry Hunsicker, Charles J. Greene, Producers Oil
Company, The Texas Company, Defendants.

In the above entitled matter, Otto Hartung, who was up to November 13, 1917, Chief Clerk of the Accounting Department of the Producers Oil Company and who since said date has been Chief Accountant of the Producing Department of the Texas Company appears and answers the interrogatories propounded to the Producers Oil Company (except No. 25, No. 26, and No. 27, a motion having been made to strike them out and except No. 21, No. 22, No. 23 and No. 24, which are answered by Mr. C. N. Scott) as follows:

Interrogatory No. 1:

States whether or not the Producers Oil Company drilled on Lots 2 and 3 of Section 8, T. 20, N. R. 16 W., the wells known as Hunsicker Nos. 1 and 2.

Answer to Interrogatory No. 1:

From information obtained from the records of the Producers Oil Company I find that the Producers Oil Company drilled the wells known as Producers Oil Company Hunsicker No. 1 and No. 2 on its Hunsicker Lease in Section No. 8, Township No. 20, North Range 16 West, Parish of Caddo, Louisiana.

Interrogatory No. 2:

State when the said wells were commenced and when they were completed.

Answer to Interrogatory No. 2:

The records of the Producers Oil Company show that the drilling of the well known as Hunsicker No. 1 was begun May 8, 1920; that said well was not completed as a producing oil well and was a non-producing well; that casing from said well was pulled on or about November 3, 1915; that the drilling of the well known as Hunsicker No. 2 began April 1, 1911, and said well was completed May 20, 1911, as a producing oil well.

58 Interrogatory No. 3:

Did said wells produce oil, and was said oil or the proceeds of the sale thereof, converted to the use and benefit of the defendants in this cause.

Answer to Interrogatory No. 3:

Well No. 1 did not produce oil at all. Well No. 2 was a producing oil well. The interest of the Producers

Oil Company in the total of said oil produced was $\frac{5}{6}$ of said total production, the other $\frac{1}{6}$ representing the royalty; that the $\frac{5}{6}$ interest of the Producers Oil Company in said oil was sold and delivered by it to The Texas Company.

Interrogatory No. 4:

During what period was said wells operated in the production of oil, and when, if at all, did they cease to produce oil.

Answer to Interrogatory No. 4:

Well No. 1 was never operated for the production of oil. Well No. 2 was operated for the production of oil from or about the date of its completion, to-wit, May 20, 1911, up and until the present time and is still producing oil.

Interrogatory No. 5:

State how much oil was extracted and removed by the Producers Oil Company, or any other defendant, from the land in controversy, (a) from the time said wells began producing up to July 1, 1917, and (b) from July 1, 1917, to January 1, 1918.

Answer to Interrogatory No. 5:

That the records of the Producers Oil Company show that there was produced and removed by the Producers Oil Company from the land embraced in the lease of Henry Hunsicker and Charles J. Greene to Producers Oil Company from the beginning of production of Well No. 2 (a) up to July 1, 1917, 98612.07 barrels and (b) from July 1, 1917, to January 1, 1918, 848.20 barrels of oil.

Interrogatory No. 6:

State whether or not the said wells were operated in the production of oil as entities, or in connection with other wells on the same or different tracts of land.

Answer to Interrogatory No. 6:

There was but one well operated in the production of oil located on the land involved in this suit
59 and that was the well known as Hunsicker No. 2. There was another well drilled on adjacent land to the land involved in this suit, known as Hunsicker No. 3. Until Hunsicker No. 3 was drilled and put in operation all the oil produced from Hunsicker No. 2 was treated as an entity. When Hunsicker well No. 3 began producing, the production from Hunsicker No. 2, involved in this litigation, and Hunsicker No. 3, not involved in this litigation, were run together into the same tank. There was run in these tanks oil from no other wells except Hunsicker No. 2 and Hunsicker No. 3.

Interrogatory No. 7:

Was a separate and complete record kept by the Producers Oil Company, or any other defendant, of the oil produced by Hunsicker No. 1 and No. 2. If so, state how said record was kept, and attach to your answers a copy of said record. If your answer is in the negative, explain why such record was not kept.

Answer to Interrogatory No. 7:

As heretofore answered Hunsicker No. 1 was a dry hole, therefore produced no oil. As to Hunsicker No. 2, which produced oil, a separate and complete record was kept of this well by the Producers Oil Company up to the bringing in of Hunsicker No. 3. Hunsicker No. 3 was completed February 21, 1913. After that

date Hunsicker No. 2, involved in this suit, and Hunsicker No. 3, not involved in this suit, were operated jointly and the records were kept jointly. The only reason records of production from the wells were not kept separately was that from an accounting standpoint it was only necessary to keep separate production which represented different ownerships in order that the Producers Oil Company could account for its delivery to the royalty owners of their proportionate part of the oil produced. In the two wells referred to, that is to say. Hunsicker No. 2 and Hunsicker No. 3, the oil was run together and not kept separate because at the time the oil was run, from the standpoint of accounting, it was only thought necessary to be able to show the amount of oil which was due the Producers Oil Company and the amount of oil which was due the lessors who had leased the land upon which both wells were situated. I have no knowledge as to whether any record was kept showing the separate production of the different wells involved by any other defendants.

60 Interrogatory No. 8:

Was a record of any kind kept by the Producers Oil Company, or any other defendants, while said wells were in operation, showing the amount of oil produced therefrom, by the day, week, month, year, or any period. If not, state why no record of the production of such wells were kept.

Answer to Interrogatory No. 8:

This interrogatory has been mainly answered in the answer given to interrogatory No. 7. However, a record was kept by the day, month and year of the oil produced jointly by the two producing wells, one being Hunsicker No. 2, involved in this suit. The reason that

the records were kept as above stated is given in our answer to interrogatory No. 7.

Interrogatory No. 9:

If you have said in answer to the foregoing interrogatories, that no record of any kind was kept of the production of said wells, then state whether there is any way, or method, by which the actual, or approximate, production of said wells may be ascertained. If so, state such method.

Answer to Interrogatory No. 9:

As I have heretofore answered, a record was kept of the production by leases and not as to each well separately on any particular lease, and as to the wells involved in this lease, as heretofore testified to, the production of Hunsicker No. 2, up to the bringing in of Hunsicker No. 3, is actual and accurate and not an approximation. Since said date the production from these two wells have been run together and not kept separately and can only be arrived at by approximation. The method of arriving at such would be to make an analysis of the run tickets and of the production of Hunsicker No. 2 to the date of the bringing in of Hunsicker No. 3, estimating the life of the wells, together with an average approximation of the total decline of production and with personal inquiry of those actually operating said wells at the time said production was mingled.

Interrogatory No. 10:

State whether or not the production of the wells in suit, as given in your answers to the preceding interrogatories, and in the answer of the Producers
61 Oil Company to the bill of complaint herein,
is exact, or is based upon an estimate of any
kind.

Answer to Interrogatory No. 10:

The production of this well, Hunsicker No. 2, the only one involved in this suit, is exact up to the date of January 31, 1913, and from there after that date the production of said well is estimated upon the basis set out in my answer given to the preceding interrogatory.

Interrogatory No. 11:

If said production is based upon an estimate of the quantity of oil produced by Hunsicker No. 1 and No. 2, in connection with other wells not in suit, then state (a) the total production of all wells operated in conjunction with Hunsicker Nos. 1 and 2, (b) where such wells are located, and (c) the names of all such wells.

Answer to Interrogatory No. 11:

As heretofore answered, Hunsicker No. 1 was non-producing. As to Hunsicker No. 2, the production is exact up to January 31, 1913, when Hunsicker No. 3, a well not involved in this suit, was operated jointly with Hunsicker No. 2. In answer to (a), the total production of these two wells from the date they were operated conjunctively, that is of Hunsicker No. 2 and Hunsicker No. 3, was 45312.10 barrels to January 1, 1918. In answer to (b), Hunsicker No. 2 is located on the land involved in this suit and Hunsicker No. 3 is located on lands not involved in this suit, but is upon land immediate adjacent to the land that is involved in this suit and which lands are a part of the Hunsicker Lease. In answer to (c), I have given the names of the wells as Hunsicker No. 2 and Hunsicker No. 3.

Interrogatory No. 12:

If the production of Hunsicker Nos. 1 and 2 as given in the answer of the Producers Oil Company to the bill

of complaint, and in your answers to the preceding interrogatories, is estimative and not exact, then state the manner in which you arrived at, or figured, the production of such wells.

Answer to Interrogatory No. 12:

As heretofore stated, Hunsicker No. 1 was a non-producer. As to Hunsicker No. 2, the production is exact up to January 31, 1913, and from that date it is estimated and the manner in which the estimation is arrived at or figured is as stated in answer to interrogatory No. 9.

62 Interrogatory No. 13:

What was the initial production of Hunsicker Nos. 1 and 2, and the total production, by months, of said wells during the period of their operation.

Answer to Interrogatory No. 13:

As heretofore answered, Hunsicker No. 1 was a non-producer; that the initial production of Hunsicker No. 2 was reported and our records reflect it to have been 200 barrels per day; this initial production being the estimated production given by the driller at the time of the completion of said well and the total production by months of said well, Hunsicker No. 2, during the period of its operation to January 1, 1918, is shown by months on the statement hereto attached, marked exhibit "A," and made a part of this answer.

Interrogatory No. 14:

State where and from whom the date, or information, relative to the production of said wells, as given in the answer of the Producers Oil Company to the bill of complainant herein, was obtained. Give names and ad-

dresses of persons from whom such data, or information was secured.

Answer to Interrogatory No. 14:

The data or information relative to the production of Hunsicker No. 2 were obtained from the oil records of the Producers Oil Company, the run tickets, together with data worked up by Mr. W. A. Hammann of the Shreveport office of the Producers Oil Company, who obtained information as to the production of Hunsicker No. 2 and Hunsicker No. 3 from the field records and from personal inquiry from those who are directly in charge of the operations of said wells.

Interrogatory No. 15:

What was the total value of the oil produced by the wells known as Hunsicker Nos. 1 and 2. State whether the value as given by you in your answer to this question is exact or approximate.

Answer to Interrogatory No. 15:

As stated well No. 1 was a non-producer. As to Hunsicker No. 2, the total value of the oil produced, based upon the approximation of its production is \$41,199.23 up to January 1, 1918. The value is substantially exact, the only approximation being the amount of the oil produced as reflected by previous answers.

63 Interrogatory No. 16:

Was not the oil taken from said wells sold by the Producers Oil Company to the Texas Company.

Answer to Interrogatory No. 16:

The oil taken from Hunsicker No. 2 was sold by the Producers Oil Company to The Texas Company.

Interrogatory No. 17:

What was the total price received by the Producers Oil Company for all the oil produced by the well in controversy.

Answer to Interrogatory No. 17:

The total price received by the Producers Oil Company for its 5/6 production of the oil produced from Hunsicker No. 2 was \$41,199.23.

Interrogatory No. 18:

What was the total price received by the Producers Oil Company for all the oil produced by Hunsicker Nos. 1 and 2, and any other wells that may have been operated in connection with said wells.

Answer to Interrogatory No. 18:

The total price received by the Producers Oil Company from the Hunsicker Lease for its 5/6 proportion, both from wells involved in this suit and wells that were not involved in this suit, which has been heretofore answered, including Hunsicker No. 2 and Hunsicker No. 3; Hunsicker No. 3 being the only well operated in connection with Hunsicker No. 2, is \$65,972.37, as of January 1, 1918.

Interrogatory No. 19:

Where and in what manner was the oil above mentioned delivered to the purchaser.

Answer to Interrogatory No. 19:

The oil produced, as testified to in these answers, was delivered by the Producers Oil Company from its measuring tanks to the purchaser, and which measuring tanks are situated on the lease.

Interrogatory No. 20:

Was not the oil delivered to the purchaser on the land where it was produced by transfer from a tank, or tanks, in which the oil was stored to a pipe line, and did not said pipe line belong to The Texas Company.

64 Answer to Interrogatory No. 20:

The oil produced from Hunsicker Wells No. 2 and No. 3 was delivered to the purchaser from the measuring tanks of the Producers Oil Company situated on the Hunsicker lease, and which measuring tanks were connected to the gathering lines of The Texas Company pipe line system.

Interrogatories No. 21, No. 22, No. 23 and No. 24 are answered by Mr. C. N. Scott and interrogatories No. 25, No. 26 and No. 27 are not answered for the reason that a motion has been made to strike them out.)

Interrogatory No. 28:

How much money was paid as royalty by the Producers Oil Company or The Texas Company to Henry Hunsicker and Charles J. Greene, Jr., defendants herein, out of the proceeds of the sale of oil taken from the land in controversy.

Answer to Interrogatory No. 28:

We have no record of any money being paid as royalty either by The Texas Company or the Producers Oil Company to Charles J. Greene or Henry Hunsicker, lessors or royalty owners.

Interrogatory No. 29:

Did said well produce any gas either in merchantable quantities or sufficient in amount for use in the operation of said wells, or other wells. In either event, state

what disposition was made of such gas and what was its value.

Answer to Interrogatory No. 29:

The wells involved in this suit did not produce any gas of any kind, either in merchantable quantities or of an amount that could have been used by either of the wells.

OTTO HARTUNG.

65 The State of Texas,
 County of Harris.

I, H. Tomfohrde, a Notary Public in and for the County of Harris, State of Texas, do hereby certify that the above witness, Otto Hartung, who was up until November 13, 1917, Chief Clerk of the Accounting Department of the Producers Oil Company, and who since said date has been Chief Accountant of the Producing Department of The Texas Company, was by me duly sworn, on oath, to testify to the interrogatories propounded; that the deposition of said witness was reduced to writing by me on the typewriter, and when completed read over to the said witness and subscribed by him in my presence; that the said depositions were taken in pursuance of an order of the United States District Court, as set forth in the caption hereof. I further certify that I am not of counsel or interested in any manner in this case.

In witness whereof, I have hereunto set my hand and official seal, on this 14th day of February, 1918, in the County of Harris, State of Texas.

(Seal) H. TOMFOHRDE,
Notary Public in and for the County
of Harris, State of Texas.

My Commission expires May 31, 1919.

66

EXHIBIT "A" to Answer to Interrogatory No.
13 Statement of Oil Run From Hunsicker
Well No. 2 Exact From Completion of Said
Well to January 31, 1913, and Estimated
From Said Date to January 1, 1918.

1911.

May	1 383 75
June	4 842 34
July	5 101 61
August	4 692 11
September	3 745 07
October	4 279 03
November	3 461 66
December	2 627 00

1912.

January	3 697 04
February	1 907 02
March	3 144 80
April	1 372 34
May	2 180 89
June	459 52
July	1 456 18
August	1 844 36
September	1 834 29
October	1 895 94
November	930 22
December	2 335 90

1913.

January	457 10
February	251 10
March	897 07
April	798 28
May	766 41
June	634 58
July	636 87

August	907 26
September	395 81
October	869 87
November	390 86
December	366 68

1914.

January	551 33
February	163 14
March	106 89
April	102 40
May	225 66
June	193 32
July	339 21
August	514 14
September	536 42
October	427 77
November	479 95
December	.....

1915.

January	410 72
February	471 54
March	437 37
April	542 13
May	480 04
June	358 05
July	.....
August	404 48
September	454 95
October
November	467 47

1915.

December	401 09
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1916.

January
February	388 03
March	253 64

April
May	150 95
June	208 56
July
August	175 65
September	127 81
October	.....
November	207 73
December	98 32
1917.	
January	.....
February	78 97
March	81 19
April	76 33
May	.....
June	87 97
<hr/>	
Total from beginning to	
July 1st, 1917	70 566 18
1917.	
July	287 60
August	.....
Sept.	.....
October	216 88
November	.....
December	.....
<hr/>	
Total from July 1, 1917, to	
Jan. 1, 1918	504 48
<hr/>	
Grand Total	71 070 66

Indorsed:—Answer of Producers Oil Co. to
Interrogatories. Filed Feb. 15, 1918.

68 United States District Court, for the Western
 District of Louisiana, Shreveport Division.

 United States of America, Complainant,
 vs. No. 1157 In Equity.
 Henry Hunsicker, Charles J. Green, Jr., Producers Oil
 Company, The Texas Company.

Now comes Producers Oil Company, and files herewith the answers of said Company, through C. N. Scott, its Vice-President, to the interrogatories Nos. 25, 26, and 27, propounded by the plaintiff in the above cause, and which interrogatories were not previously answered because of a motion having been made to strike them out. Said motion having been overruled, said defendant, Producers Oil Company, now makes answer thereto in compliance with the order of this Honorable Court.

By Its Attorney,
 HAMPDEN STORY.

69 United States District Court for the Western
 District of Louisiana, Shreveport Division.

 United States of America, Complainant,
 vs. No. 1156 In Equity.
 .. Henry Hunsicker, Charles J. Green, Jr., Producers Oil
 Company, The Texas Company.

In the above entitled cause, C. N. Scott, Vice-President of Producers Oil Company, appears and answers interrogatories propounded to Producers Oil Company, and which had not been previously answered for the reason that a motion had been made to strike them out. Said motion having been overruled by the Court, answers are made as follows:

Interrogatory No. 25:

What are the principal products manufactured from petroleum or crude oil?

Answer to Interrogatory No. 25:

Producers Oil Company was not engaged in the manufacture of products from petroleum, but only in the production and sale of crude oil. The oil produced from the wells involved in this litigation, I assume, from the location of the wells in controversy, was oil of a high gravity. I know from a general knowledge of the oil business that the principal products manufactured from such crude oil would be gasoline and burning oils. As to what was actually done with the oil in litigation I have no knowledge.

Interrogatory No. 26:

State the total value, either exactly, if you know, or approximately if you do not know positively, of the products manufactured by The Texas Company from the oil taken from the land in controversy.

70 Answer to Interrogatory No. 26:

I have no knowledge whatsoever of what products were manufactured from the oil taken from the land in controversy, nor for that matter, whether The Texas Company manufactured it at all. Therefore, I can not state the value, or approximately the value, of such products.

Interrogatory No. 27:

State to what extent, if any, the Producers Oil Company participated in the profits derived from the manufacture of the oil taken from the land in controversy, and the amount so received by it from such profits.

Answer to Interrogatory No. 27:

Producers Oil Company did not participate in the profits derived from the manufacture of the oil taken from the land in controversy, and received no amounts from such products.

C. N. SCOTT.

71 State of Texas,
County of Harris.

Be it known, that I, H. Tomfohrde, a Notary Public in and for the County of Harris, State of Texas, do hereby certify that the above witness, C. N. Scott, vice-president of Producers Oil Company, was by me duly sworn on oath to testify to the interrogatories propounded; that the deposition of the said witness was reduced to writing by me on a typewriter in the presence of said witness, and when completed was read over to said witness and subscribed by him in my presence; that the said deposition was taken in pursuance to an order of the United States District Court, as set forth in the caption hereof.

I further certify that I am not of counsel or interested in any manner in this case.

In witness whereof I have hereunto set my hand and official seal, on this the 6th day of March, A. D. 1918, in the County of Harris, State of Texas.

(Seal H. TOMFOHRDE,
Notary Public in and for Harris
County, Texas.

Indorsed:—Answers of Producers Oil Co. to Interrogatories Propounded. Filed Mar. 9, 1918.

8

9

72 United States of America, Complainant,
vs. No. 1156 In Equity.
Henry Hunsicker, et al., Defendants.

Now into Court comes Chas. J. Greene, Jr., one of the defendants in the above numbered and entitled cause, and in obedience to the order of Court, makes answer to the Interrogatory propounded to him herein, as follows, to-wit:

For answer to Interrogatory Number 30, he shows that he has never had a settlement with either the Producers Oil Company or with the Texas Company; that, in making this answer he relies upon information furnished him by the said Company through its proper employees; that, he is informed and believes that there has been a total royalty of sixteen thousand five hundred seventy-eight and 22/1000 barrels; that this represents a one-sixth royalty which is owned by himself and Henry Hunsicker; that he is the owner of one-half of a part thereof, and of one-third of the balance, but, at this time, he is unable to state the exact number of barrels in which he is so interested; that he is informed that the total value of the royalty is thirteen thousand, three hundred seventy-nine dollars and eleven cents, the said value being as of the dates of the run.

Further answering Interrogatory Number 30, he shows that the answer of the two Companies mentioned above, to the interrogatories propounded to them will give in greater detail the information sought to be obtained from this defendant, and reference is made by him to the said answers, for a more detailed statement.

CHAS. J. GREENE, Jr.

Chas. J. Greene, Jr., being sworn, said:

That the facts stated in the answer to the interrogatory set forth above, are true and correct, except those given on information, and these, he believes to be true.

CHAS. J. GREENE, JR.

Sworn to and subscribed before me this day of February, 1918.

(Seal)

D. W. BREAZEALE,
Notary Public.

73 Indorsed:—Answer of Chas. J. Greene, Jr., to Interrogatories. Filed Feb. 20, 1918.

74 United States District Court for the Western District of Louisiana, Shreveport Division.

United States of America,
vs. No. 1156 In Equity.
Henry Hunsicker, et al.

Now into Court comes Producers Oil Company, one of the defendants in the above entitled and numbered cause, and moves this Honorable Court to dismiss the bill of complaint herein filed, on the grounds, as follows, to-wit:

1.
Misjoinder;
- 2.

Insufficiency of facts to constitute a valid cause of action in equity;

3.

That the said bill of complaint is insufficient under Rule 25 of the Equity Rules;

4.

That the verification attached to said bill of complaint is not sufficient;

5.

That the defendants named in said bill of complaint are not charged with being joint trespassers, and that the causes of action set forth are multifarious.

Wherefore, defendant prays that this motion be allowed, and plaintiff's suit be dismissed at its cost, and for all necessary orders in the premises.

HAMPDEN STORY,

Attorney for Producers
Oil Company.

Indorsed:—Motion to Dismiss on the Part of the Producers Oil Company. Hampden Story, Atty. Filed Feb. 26, 1918.

75 Western District Court of Louisiana.

United States of America, Complainant,
vs. No. 1156 In Equity.
Henry Hunsicker, et al., Defendants.

Now into Court, through undersigned counsel, comes Chas. J. Greene, Jr., one of the defendants in the above entitled and numbered cause, and moves the Court to dismiss the bill herein for the following reasons, to-wit:

1.

Misjoinder of parties, defendant;

2.

That the said bill of complaint is insufficient under Rule 25 of the Equity Rules.

3.

That the facts alleged in the said bill do not show a valid cause of action in equity.

4.

That the verification of the said bill of complaint is insufficient.

5.

That the defendants named in the said bill are not charged with being joint trespassers, and that the causes of action set forth are multifarious.

Wherefore, he prays that the said bill be dismissed. He further prays for all necessary orders and for equitable and general relief.

S. M. COOK,
Solicitor for C. J. Greene, Jr.

Indorsed:—Motion to Dismiss on the Part of C. J. Greene. Filed Feb. 27, 1918.

76 United States District Court for the Western
District of Louisiana, Shreveport Division.

United States of America,
vs. No. 1156 In Equity.
Henry Hunsicker, et al.

Now into Court comes The Texas Company, one of the defendants in the above entitled and numbered cause, and moves this Honorable Court to dismiss the bill of complaint herein filed as to it, on the grounds, as follows, to-wit:

1.

Misjoinder of parties defendant;

2.

Insufficiency of facts to constitute a valid cause in equity;

3.

That the said bill of complaint is insufficient under Rule 25 of the Equity Rules;

4.

That the verification attached to said bill of complaint is not sufficient;

5.

That this defendant is not charged, in said bill of complaint, as a joint trespasser, extracting the oil and gas from the land, in controversy, nor with having com-

mitted trespass thereon, nor with having advised, encouraged or conspired and co-operated to do so, the only allegation in said bill of complaint, in said suit, being substantially and to the effect that this defendant bought and sold the oil so produced from the land, in controversy, from the said Henry Hunsicker and Charles J. Greene, Jr., and the said Producers Oil Company, the other defendants in said suit;

6.

That there is no accounting necessary between it and the plaintiff in any sense to give a Court of Equity jurisdiction on that ground;

7.

That the suit of the plaintiff is one arising in tort, and cannot be converted into one of an accounting, being a cause of trespass, or tort, for which it is
77 not liable.

Wherefore, defendant prays that this motion be allowed and plaintiff's suit be dismissed at its costs, and for all necessary orders in the premises.

HAMPDEN STORY,

Attorney for The Texas
Company.

Indorsed:—Motion to Dismiss on the Part of the Texas Company, Hampden Story, Atty. Filed Feb. 26, 1918.

United States District Court, Western District of
Louisiana.

Wednesday, Shreveport, La., February 27, A. D. 1918.

Court met pursuant to adjournment and was ordered
opened.

Present and Presiding: Hon. Rufus E. Foster, U. S.
Judge.

United States of America,

vs. No. 1156 In Equity.

Henry Hunsicker, et als.

In this cause, now into Court, comes Charles J. Greene,
Jr., appearing herein through his Solicitor, Mr. S. M.
Cook, and files his Motion to Dismiss herein.

Thereupon, this cause came on to be heard upon the
Motions to Dismiss and also upon the Motions to Strike
Out Certain Interrogatories, Mr. Robert A. Hunter,
Special Assistant to the Attorney General, appearing
as Solicitor for the Complainant herein, and Judge
Hampden Story and Mr. S. M. Cook, appearing as So-
licitors for the defendants. The said Motions were ar-
gued and submitted, and thereupon, the Court over-
ruled the Motions to Dismiss, to which ruling of the
Court defendants reserved bill of exception—the Motion
to strike out certain interrogatories was sustained as to
The Texas Company, with leave for the Complainant
to renew said interrogatories at such time as it may
seem proper—the Motion to Strike out certain inter-

rogatories being overruled as to the Producers Oil Company.

79

Equity Journal, Vol. 1.

United States District Court, Western District of
Louisiana.

Friday, Shreveport, La., March 1, 1918.

Court met pursuant to adjournment and was ordered
opened.

Present and Presiding: Hon. Rufus E. Foster, U. S.
Judge.

United States of America,

vs. No. 1156 In Equity.

Henry Hunsicker, et al.

This cause came on this day for trial upon the Pleas
filed by defendants, evidence was offered and the mat-
ter argued by counsel—Robert A. Hunter, Esq., Spec-
ial Assistant to the Attorney General, appearing as
Solicitor for Complainant, and Mr. S. L. Herold appear-
ing for defendants,—and the matter was submitted and
taken under advisement by the Court.

Equity Journal, Vol. 1.

United States District Court, Western District of
Louisiana.

Saturday, Shreveport, La., March 2, A. D. 1918.

Court met pursuant to adjournment and was ordered
opened.

Present and Presiding: Hon. Rufus E. Foster, U.
S. Judge.

United States of America,
vs. No. 1156 In Equity.
Henry Hunsicker, et al.

In this case, which had heretofore been argued and
submitted, counsel for both complainant and defendants
being present in open Court, Decision is now orally
rendered by the Court, overruling the Pleas filed herein
by defendants, with right reserved to defendants to
renew said pleas at the hearing on the merits of the
case.

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United States District Court, Western District
of Louisiana.

United States,
vs. No. 1156.
Henry Hunsicker, et al.

This case now being at issue, the Court considering
that the services of a Master are necessary to aid the
Court and economize its time, and for the purpose of

expediting the final hearing of said cause, the Court of its own motion appoints Edward H. Randolph, Esq., Special Master herein.

It is further ordered that this case be referred to said Master to take the evidence and report his findings of fact and conclusions of law thereon.

The said Special Master is authorized to set the case for hearing at such time and place as in his opinion may be most convenient to all parties, and he is authorized to hear the evidence within the jurisdiction of the Court or elsewhere as may be advisable.

RUFUS E. FOSTER, Judge.

March 29, 1918.

Filed Mar. 29, 1918.

81

PLFF H.

R. B. Cook, Stenographer.

Summary.

(Production estimated to Jan. 1, 1918).

	Barrels	Amount.
Total oil run from well No. 2 for the times said well was operated separately	57,600.56	\$36,371.54
Oil apportioned to Well No. 2 for the time wells Nos. 2 and 3 were operated jointly ...	18,965.31	19,405.35
Total estimated production from well No. 2	76,565.87	\$55,776.89

Approximated royalty to Henry Hunsicker and C. J. Greene, Jr., and held in suspense by The Texas Co. as shown by its decision filed	9,294.48	
Approximated amount of Producers Oil Co. interest in production from Well No. 2	46,482.41	55,776.89
Approximated amount of Producers Oil Co.'s interest ..		46,482.41
Cost of drilling well No. 2 as shown by statement Exhibit "D" attached to and filed with P. O. Co.'s answer ..	8,066.97	
Cost of operating well No. 2 as shown by statement hereto attached	16,347.46	24,414.43
	<hr/> 24,414.43	
Estimated net proceeds from well No. 2 after deduction of costs for drilling and operation		\$22,067.98

Filed Jan. 21, 1919.

82

"PLAINTIFF A."

1156

Department of the Interior,
General Land Office,
Washington, D. C.

January 16, 1918.

I hereby certify that the annexed copy of office letter dated June 1, 1911 is a true and literal exemplification from the press copy on file in this office.

In testimony whereof I have hereunto subscribed my name and caused the seal of this office to be affixed at the City of Washington, on the day and year above written.

D. K. PARROTT,
Acting Assistant Commissioner of
the General Land Office.

In reply please refer to 156445 "N" HGP.

1 Inc.
1 x R&R.

Department of the Interior,
General Land Office,

Washington, June 1st, 1911.

Drilling for Oil.

Withdrawal under act June 25, 1910 (38 Stat., 847).

Hon. Murphy J. Foster,
The Senate.

Sir:

Acknowledging the telegram of your correspondent, Henry Hunsicker, Shreveport, which is herewith returned, I have the honor to advise:

Township 20, north, range 16, west, subject to existing valid claims, withdrawn from settlement and entry, or other form of appropriation, by order of the Secretary dated December 15, 1908.

The township was included in Executive order of July 2, 1910, which ratified the withdrawal of December 15, 1908, and withdrew the lands, under the act of June 25, 1910 (36 Stat., 847), from settlement, location, sale or entry and reserved the same for classification and in aid of legislation affecting the use and disposal of petroleum lands belonging to the United States.

Mr. Hunsicker states in his telegram:

83 Land in fractional section eight township twenty, north, range sixteen, west, La. Meridian, operations commenced May 8, 1910.

The lands being in a state of withdrawal under order of December 15, 1908, at the time of commencement of operations looking to the discovery of oil or gas and continuous from Dec. 15, 1908, to the present time, upon the statement of facts presented in the telegram the operators would have acquired no rights such as could be recognized under the terms of the withdrawals, December 15, 1908, or July 2, 1910, nor do the facts related bring the operators within the terms of the first proviso to the act of June 25, 1910, *supra*.

Very respectfully,

S. V. PROUDFIT,
Assistant Commissioner.

Filed Jan. 21, 1919.

84 United States District Court for the Western
District of Louisiana, Shreveport Division.

United States of America,
vs. No. 1156 In Equity.
Henry Hunsicker, et al.

Now comes the defendant, The Texas Company, and excepts to the report of the Honorable E. H. Randolph, Special Master in Chancery, filed in this cause on the 11th day of January, 1919, and for cause of exception shows:

1.

That the Master stated and certified that the defendant was liable to the United States, plaintiff herein, in solido, (page 5 of Report, Class "A") with the Producers Oil Company, for Thirty-one Thousand Three Hundred Sixty-Two and 46/100 (\$31,362.46) Dollars and in solido with the said Henry Hunsicker and Charles J. Greene, and Producers Oil Company for Nine Thousand Two Hundred Ninety-four and 48/100 (\$9,294.48) Dollars, royalties received or which the said Henry Hunsicker and Charles J. Greene were entitled to receive, instead of stating and certifying that, as a marketing company, taking the oil produced from the land in controversy, The Texas Company was not liable, or in any event it could not be held liable in solido therefor, for said royalty.

2.

That the said Master, in said report, which is excepted to, should have stated and certified that there was no allegation in the pleadings, or any proof in support thereof, if alleged, holding The Texas Company liable as a joint trespasser, or as having acted in con-

cert with the Producers Oil Company, and with the Producers Oil Company, Charles J. Greene and Henry Hunsicker, or with any of them, in extracting the oil from the land in controversy.

3.

That it further excepts to said report of the Master, in stating and certifying that interest, on the amount aforesaid, against it and the Producers Oil Company, Charles J. Greene and Henry Hunsicker, should be allowed at five per cent per annum thereon from 85 the filing of said report, instead of stating and certifying that said The Texas Company, if liable, Producers Oil Company, Charles J. Greene and Henry Hunsicker, if held in solido, for the respective amounts, are liable for interest from the date of judgment on the amounts set out in said report, in case the United States is successful in this cause.

HAMPDEN STORY,

Solicitor for The Texas Company.

Indorsed: Exception to Report of Special Master in Chancery. Hampden Story, Solicitor for The Texas Company. Filed Jan. 24, 1919.

B.

86 In the District Court of the United States
for the Western District of Louisiana.

United States of America, Plaintiff,

vs. No. 1156 In Equity.

Henry Hunsicker, et al., Defendants.

Now comes Henry Hunsicker, one of the defendants herein, and excepts to the report of E. H. Randolph,

Esquire, Special Master, filed in this cause on the 11th day of January, 1919, and for cause of exception shows:

1.

That the Master has in said report stated and certified that the lands in question were legally withdrawn from mineral location at the time said locations were made; whereas he should have reported that said lands were not at such time so withdrawn.

2.

That the said Master has in said report certified that this defendant should pay interest upon the amount of judgment rendered against him, at the rate of five (5%) percent per annum from the filing of the report; whereas he should have certified that if any judgment is rendered against this defendant, interest should run only from the date that same is liquidated by decree of this Court.

Wherefore, defendant prays that these exceptions be sustained and that judgment be rendered in his favor accordingly.

THIGPEN & HEROLD,
Solicitors for Defendant,
Henry Hunsicker.

Indorsed:—Exceptions of Henry Hunsicker to the Report of the Special Master. Filed Jan. 30, 1919.

B

87 In the District Court of the United States, for
 the Western District of Louisiana.

United States of America, Plaintiff,
 vs. No. 1156 In Equity.
Henry Hunsicker, et al., Defendants.

Now comes the Producers Oil Company, one of the defendants herein, and excepts to the report of E. H. Randolph, Esquire, Special Master, filed in this cause on the 11th day of January, 1919, and for cause of exception shows:

1.

That the Master has in said report stated and certified that the lands in question were legally withdrawn from mineral location at the time said locations were made; whereas he should have reported that said lands were not at such date so withdrawn.

2.

That the Master has in said report stated and certified that this defendant should be held solidarily with the parties to whom royalties were paid and delivered, as to the liability which the Master certifies as to said royalty owners; whereas the Master should have found if there were any liability as to this defendant, there was none solidary in character between it and said royalty owners.

3.

That the said Master has in said report certified that this defendant should pay interest upon the amount of

judgment rendered against it, at the rate of five (5%) percent per annum from the filing of the report; whereas he should have certified that if any judgment is rendered against this defendant, interest should run only from the date the same is liquidated by decree of this Court.

Wherefore, defendant prays that these exceptions be sustained and that judgment be rendered in its favor accordingly.

HAMPDEN STORY,

Solicitors for Producers Oil Co.

88 Indorsed:—Exceptions of Producers Oil Co.
to the Report of the Special Master, Filed Jan.
30, 1919.
B

89 In the District Court of the United States, for
the Western District of Louisiana.

United States of America,

vs.

No. 1156.

Henry Hunsicker, et al.

Now into this Honorable Court comes plaintiff, the United States of America, appearing herein through undersigned counsel, and excepts to the report of Hon. E. H. Randolph, Master in Chancery herein, insofar as the said report recognizes the defendants as innocent trespassers, and allows the counterclaim filed by them, for the following reasons, to-wit:

1. The Master erred in not finding and in not giving consideration to the fact that on December 15, 1908, the President of the United States, acting through the

Secretary of the Interior, withdrew the land in controversy from settlement, entry, or other form of appropriation in order to conserve the public interest and in aid of such legislation as might thereafter be proposed or recommended, and that said withdrawal was ratified and continued in effect by the withdrawal order issued by the President July 2, 1910.

The evidence showing such withdrawals consists of documentary testimony offered by plaintiff in the case of the United States v. Sam W. Mason, et al., No. 1172, on the docket of this Honorable Court, being plaintiff's exhibit "A", "B," "C," "D," "E," "F 1, 2, 3, 4, 5, "G," "H," "I," "J," "K," "L," "M," "N," "O," "P," "Q," "R," "S", "T," which said exhibits were by agreement of counsel (record, p. 2) made a part of the record in this cause. This Court held in the said Mason case that the withdrawals included Township 20 N., R. 16 West, and prohibited mineral locations on the public
90 lands described therein, which ruling is applicable to this suit, and was so recognized by the Master in his report.

2. According to the Master's report, the mineral location in this cause was made March 20, 1910. The only well that produced oil— Well No. 2—was begun April 1, 1911, and completed May 20, 1911, as a producing oil well (see answer of the Producers Oil Co. to interrogatory No. 2). Well No. 1, which, according to the contention of defendants, was commenced in May, 1910, did not produce either oil or gas in merchantable quantities, nor was it utilized in any way by said Company (see answer of Producers Oil Co. to interrogatory No. 29).

Plaintiff avers that the drilling of said wells and the removal of oil from the said land, by the defendants, were in violation of said withdrawal orders.

3. That drilling on withdrawn lands is in contravention of the policy of the United States, as shown by said withdrawals, to retain the oil in the ground for legislative disposition. This policy precludes a consideration of any equitable benefit to the government from the drilling and operating of the wells.

4. That the defendants trespassed upon said land with full knowledge of the withdrawal orders of December 15, 1908, and July 2, 1910, and no work of any kind was done upon the tract embraced in the mineral location until long after the issuance of the withdrawal order of December 15, 1908, (testimony of Henry Hunsicker, record 60). Having taken the oil with full knowledge of the facts, the advice of counsel cannot protect them.

Wherefore, plaintiff prays that these exceptions be sustained, and, accordingly, that the counterclaim filed by defendants be rejected and disallowed, and that there be a decree in favor of the United States and against the defendants as follows, to-wit:

- | | |
|-----|--|
| 91 | <p>(a) Against the Producers Oil Company and the Texas Co., in solido, in the sum of \$46,482.41,
 being total value of production of oil from said land, less royalties, all as shown by the Master's report.</p> |
| (b) | <p>Against the Producers Oil Co., The Texas Company, Charles J. Greene, Jr., and Henry Hunsicker, in solido, in the sum of 9,294.48,</p> |

being amount of royalty paid out of the production by the said Producers Oil Co. and Texas Company to Charles J. Greene, Jr., and Henry Hunsicker, as shown by the Master's Report.

Total 55,776.89.

Said sums aggregating \$55,776.89, being the total value of the oil extracted and removed by defendants, as shown by the Master's report.

Plaintiff prays that in all other respects the said report and recommendations of the Master be confirmed and made the decree of this Honorable Court. Prays for all orders and decrees necessary, and for general relief.

ROBERT A. HUNTER,
Special Assistant to the Attorney General.

Indorsed:—Plaintiff's Exceptions to the Master's Report. Filed Jan. 30, 1919.

92 In the District Court of the United States for the Western District of Louisiana, Shreveport Division.

United States of America,
vs. No. 1156 in Equity.
Henry Hunsicker, Charles J. Greene, Junior, Producers Oil Company, Texas Company.

This cause came on to be heard at this term and was argued by counsel; and thereupon, upon consideration

thereof, it was ordered, adjudged and decreed as follows:

I. That the report filed herein January 11, 1919, by E. H. Randolph, Special Master in Chancery, be and the same is hereby approved and confirmed; and, accordingly:

II. That the land described in the bill of complaint, namely, lots numbers two and three (2 and 3) of section eight (8), in township twenty (20), north of range sixteen (16) west, Louisiana Meridian, Louisiana, situated in the Parish of Caddo, Western District of Louisiana, as shown by plat of survey approved March 28, 1917, by Clay Tallman, Commissioner of the General Land Office and ex-officio Surveyor General for the State of Louisiana, be and the same is hereby decreed to have been at all times from and after December 15, 1908, lawfully withdrawn from settlement, entry, location, sale or other form of appropriation under the public land or mineral laws of the United States.

III. That the mineral locations of date March 20, 1910, recorded March 22, 1910, in Book 59, page 216, made by defendants, Henry Hunsicker and Charles J. Greene, Junior, and the lease executed by the said defendants to the Producers Oil Company, March 28, 1910, by act recorded in Conveyance Book 67, pages 621 and 622, said instruments having been recorded on the Conveyance records of the Parish of Caddo, State of Louisiana, be and the same are declared null and void and held for naught insofar as the same may include directly or indirectly, the above described property, and, to that extent, the said mineral locations and lease are annulled and shall be cancelled.

IV. That the land above described shall be, and the same hereby is, adjudged and decreed to be the perfect property of plaintiff, the United States of America, free and clear of all claims of the said defendants, or any of them, and that the possession of the said land shall be restored to plaintiff.

V. That the said defendants, namely, Henry Hunsicker, Charles J. Greene, Junior, Producers Oil Company, and the Texas Company, shall be and they, and each of them, are hereby finally and perpetually enjoined from setting up any claim to said land, or any part thereof, and from creating any cloud upon plaintiff's title to the same, or to any of the oil, gas or minerals, on or under same, and from going upon said land, or in any manner using the same, or extracting oil or other minerals therefrom, and, accordingly, that a writ of injunction issue restraining, enjoining and prohibiting the said defendants, and each of them, from committing the acts aforesaid, and from in any manner trespassing upon said land.

VI. That the United States of America do have and recover of the Producers Oil Company and the Texas Company, in solido, and the said defendants are hereby condemned and ordered to pay to plaintiff, the full sum of Thirty-one Thousand Three Hundred and Sixty-two and 46/100 (\$31,362.46) Dollars, together with five percent per annum interest thereon from January 11, 1919, until paid.

VII. That the United States of America do have and recover of and from the Producers Oil Company, the Texas Company, Charles J. Greene, Junior, and Henry Hunsicker, in solido, and the said defendants are hereby condemned and ordered to pay to plaintiff, the sum of Nine Thou-

sand Two Hundred and Ninety-four and 48/100 (\$9,294.48) Dollars, together with five per cent per annum interest thereon from January 11, 1919, until paid.

94 VIII. That the said defendants be and they are hereby ordered, directed and required to make a full, true and accurate accounting to plaintiff of all oil extracted from said land since January 1, 1918, and to pay to plaintiff the value thereof, as ascertained by said accounting, together with all rents and royalties derived therefrom, and that all of plaintiff's rights to recover the oil produced from said land by the defendants since January 1, 1918, be reserved.

IX. That pending delivery thereof to the United States of America, John H. Eastham, a resident of Shreveport, Louisiana, be and he is hereby appointed receiver to take possession of said land and of all wells, improvements and drilling paraphernalia thereon, and any other property and instrumentalities on said land, used for the purpose of drilling and extracting, storing and transporting oil, with full power and authority to continue operations on said land in the production and sale of oil, gas and other minerals, from existing wells, and to do and perform such acts as may be necessary to protect the property of plaintiff against injury and waste and for the preservation thereof. The defendants are hereby ordered, commanded and required to surrender and deliver to said receiver the possession of said land and the aforesaid property, wells and instrumentalities thereon, upon the approval of said receiver's bond by the Clerk of this Court. The said receiver shall, within 90 days from the date of this decree, furnish bond, with good and solvent surety, to be approved by the Clerk of the United States District Court

in and for the Western District of Louisiana, in the sum of Five Thousand (\$5000.00) Dollars, which said bond may hereafter be increased, or reduced, as the Court may direct, and shall be conditioned for the faithful performance of his duties and the rendition by him of a true and correct accounting and payment of all money,

oil or other property that may come into his hands as receiver. The said receiver shall sur-

render possession of said land and of all property that may come into his custody hereunder, and shall account for and pay over to the United States of America, upon demand, or on order of the Court, all oil or money received by him in his aforesaid capacity. Jurisdiction of this cause is retained by the Court to supervise, direct and control the acts of the said receiver, to obtain such accounting from said receiver as the Court may order, to require the delivery to the United States of such land and property, and the accounting and payment to be made by the receiver, and generally for all purposes in connection with said receivership, with full reservation of the power to discharge or remove said receiver, and to appoint another receiver, or receivers, and to do and perform such other acts, in relation to the administration of said receiver, and the termination of said receivership, and to issue such further orders in the premises, as the Court may deem necessary.

X. That the said defendants be, and they are hereby condemned and ordered to pay all the costs of this suit.

Thus done, read and signed in open Court this 4th day of August, 1919.

RUFUS E. FOSTER,
United States Judge.

Indorsed:—Decree. Filed August 12, 1919.

96 United States District Court for the Western
District of Louisiana, Shreveport Division.

United States of America, Plaintiff,

vs. No. 1156 In Equity.

Henry Hunsicker, Charles J. Greene, Jr., Producers
Oil Company and The Texas Company, Defendants.

To the Honorable, the Judge of the District Court of
the United States, for the Western District of Louisiana,
sitting within and for the Shreveport Division:

The above named defendants, feeling aggrieved by the
decree made and entered in this cause on the 4th day of
August, 1919, do hereby appeal from said decree to the
Circuit Court of Appeals for the Fifth Circuit, for the
reasons specified in the assignment of errors which is
filed herewith.

And they pray that their appeal be allowed with
supersedeas, and that citation issue as provided by law;
and that a transcript of the record, proceedings, documents,
and papers upon which said decree was based,
duly authenticated, may be sent up to the said United
States Circuit Court of Appeals for the Fifth Circuit,
sitting at New Orleans, in the State of Louisiana.

And they further pray that proper orders touching
the security to be required to perfect their appeal, be
made.

And desiring to supersede the execution of said
decree, petitioners here tender bond in the amount as the

Court may require for such purpose, and pray that with the allowance of their appeal, a supersedeas be issued.

THIGPEN & HEROLD,
Solicitors for Henry Hun-
sicker.

S. M. COOK,
Solicitor for Charles J.
Greene, Jr.

HAMPDEN STORY,
Solicitor for Producers Oil Com-
pany and The Texas Company.

97

ORDER.

The petition is granted, and the appeal is allowed, and shall operate as a supersedeas, upon petitioners filing a bond in the sum of Sixty-one Thousand and no/100 Dollars, (\$61,000.00) with sufficient surety, conditioned as required by law.

RUFUS E. FOSTER, Judge.

Sept. 3, 1919.

Indorsed:—Petition and Order for Appeal. Filed Sept. 25, 1919.

98 United States District Court, for the Western
 District of Louisiana, Shreveport Division.

 United States of America, Plaintiff,
 vs. No. 1156 In Equity.
Henry Hunsicker, Charles J. Greene, Jr., Producers Oil
 Company, and The Texas Company, Defendants.

Now come each and all of the defendants in the above cause, by their respective solicitors, Thigpen & Herold, Sidney M. Cook, and Hampden Story, and say that the decree entered in the above cause on the 4th day of August, 1919, is erroneous, unjust and prejudicial to the defendants, and in connection with their petition for an appeal, and for specification of said errors, show:

I.

That the Court erred in holding that the order of the President of the United States of America, of date December 10, 1908, and by and through the Secretary of the Interior, precluded the defendants, Henry Hunsicker and Charles J. Greene, Jr., from making mineral locations on the lands in controversy.

II.

That the Court erred in holding that the lands in controversy, on which the defendants made mineral locations under the laws of the United States, had been withdrawn from mineral location, and that they were embraced in the said withdrawal order of December 10, 1908.

III.

That the Court erred in condemning these defendants for the value of any oil produced from the premises in controversy.

Wherefore, defendants pray that the said decree entered by the United States District Court for the Western District of Louisiana, be reversed.

THIGPEN & HEROLD,
Solicitor for Henry Hunsicker.

S. M. COOK,
Solicitor for Charles J. Greene, Jr.

HAMPDEN STORY,
Solicitor for Producers Oil Company and The Texas Company.

99 Indorsed:—Assignment of Errors. Filed Sep.
25, 1919.

B

100 SUPERSEDEAS BOND ON APPEAL.

United States District Court for the Western District
of Louisiana, Shreveport Division.

United States of America, Plaintiff,
vs. No. 1156, In Equity.
Henry Hunsicker, Charles J. Greene, Jr., Producers Oil
Company and The Texas Company, Defendants.

Know all men by these presents: That we, Henry Hunsicker, Charles J. Greene, Jr., Producers Oil Company and The Texas Company, as principal, and United States Fidelity & Guaranty Company of Baltimore, Maryland, as surety, are held and firmly bound unto and in favor of the United States of America, appellee in the above numbered and entitled cause, in the full sum of Sixty-one Thousand and no/100 Dollars (\$61,000.00) for the payment of which well and truly to be made, we hereby bind ourselves, our successors and legal representatives firmly and in solido.

Dated at Shreveport, Louisiana, on this, the 30 day of August, A. D. 1919.

The condition of the above obligation is such that,

Whereas, on the 4th day of August, 1919, in the District Court of the United States, for the Western District of Louisiana, in a suit pending in that Court, wherein the United States of America, was plaintiff and Henry Hunsicker, Charles J. Greene, Jr., Producers Oil Company, and The Texas Company were defendants, numbered on the Equity Docket of said Court as 1153, a decree was entered and signed against the said Henry Hunsicker, Charles J. Greene, Jr., Producers Oil Company, and The Texas Company; and

Whereas, the said Henry Hunsicker, Charles J. Green, Jr., Producers Oil Company, and The Texas Company having obtained an appeal with supersedeas, to the United States Circuit Court of Appeals for the Fifth Circuit;

Now, therefore, if the said Henry Hunsicker, Charles J. Greene, Jr., said Producers Oil Company and said The Texas Company shall prosecute such appeal to effect, and answer all damages and costs if they fail to make their plea good, then the above obligation to be void; otherwise to remain in full force and effect.

101

HENRY HUNSICKER,
CHARLES J. GREENE, JR.,
By S. M. COOK, Atty. at Law.
THE TEXAS COMPANY,
By HAMPDEN STORY, Atty. at Law.
PRODUCERS OIL COMPANY,
By HAMPDEN STORY, Atty. at Law.
Principals.

(Seal)

....., Surety.
THE UNITED STATES FIDELITY & GUARANTY CO., OF
MARYLAND,
By SAM N. WALKER,
Attorney in Fact.

Approved this 3 day of Sept., 1919.
RUFUS E. FOSTER, Judge.

Indorsed:—Supersedeas Bond on Appeal. Filed Sept. 25, 1919.

102 In the District Court of the United States for
 the Western District of Louisiana, Shreve-
 port Division.

United States of America,

vs. No. 1156, In Equity.

Henry Hunsicker, et al.

To the Honorable, the Judge of the District Court of
the United States, for the Western District of Lou-
isiana:

Now into this Honorable Court comes the United
States of America, plaintiff, in the above numbered and
entitled cause, and, with respect, represents:

That on August 4, 1919, this Court entered a final
decree in said cause, from which the defendants herein
have appealed, and that in said decree there was, in
part, error greatly to the prejudice and injury of plain-
tiff, as will more fully appear by the assignment of er-
rors filed herewith. Plaintiff desires to take a cross
appeal from said decree to the United States Circuit
Court of Appeals of the Fifth Circuit.

Wherefore, it is prayed that a cross appeal may be
allowed to plaintiff in this cause, from this Court to
the United States Circuit Court of Appeals for the Fifth
Circuit, and that proper orders for the allowance
of such appeal may be made by this Court.

ROBERT A. HUNTER,

Special Assistant to the Attor-
ney General.

ORDER.

The foregoing petition for a cross appeal (with assignment of errors attached) being considered:

It is ordered that the United States of America, plaintiff in the above numbered and entitled cause, be and is hereby granted and allowed a cross appel herein, from this Court to the United States Circuit Court of Appeals for the Fifth Circuit, in accordance with law and with the rules of said United States Circuit Court of Appeals.

Thus done and signed this 10 day of Nov., 1919.

RUFUS E. FOSTER,

United States Judge.

103 ASSIGNMENT OF ERRORS ON PLAINTIFF'S CROSS APPEAL.

United States of America,

vs. No. 1156 In Equity.

Henry Hunsicker, et al.

Now comes plaintiff, the United States of America, and in connection with its petition for a cross appeal herein, presents this, its assignment of errors, and says that the decree entered herein August 4, 1919, is erroneous in the following particulars, to-wit:

I.

The Court erred in allowing as an offset against the value of the oil extracted and removed from the land in controversy, the counterclaim of the Producers Oil

Company, for costs and expenses incurred in producing said oil, and in not entering a decree in favor of plaintiff for the total value of said oil.

II.

The Court erred in allowing to said defendant, as an offset or counterclaim, the cost of the production of said oil and in not entering a decree in favor of plaintiff for the full value of the oil extracted and removed from the land in controversy, because the said land had been withdrawn from any appropriation whatever by orders of the President of the United States, dated, respectively, December 15, 1908, and July 2, 1910, which orders were issued for the purpose of conserving the public interest and in aid of pending and proposed legislation. The said well was drilled in violation of each of said orders and in contravention of the policy of the

United States to protect the public interest and
104 to retain the oil in the ground for legislative disposition, which fact precludes the consideration of any equitable benefit to the United States from the drilling and operation of said well.

III.

The Court further erred in allowing the said counterclaim and in not entering a decree in favor of plaintiff for the full value of the oil extracted and removed from said lands because the said well was drilled by said defendant with full knowledge of said withdrawal orders, and it was, therefore, a trespasser in bad faith.

IV.

The Court further erred, in any event, in finding and holding that said defendants were entitled to deduct

from the value of the oil extracted from the land in suit the costs of drilling and equipping said well, which said costs of exploration and discovery should not be allowed as an offset, credit or counterclaim herein.

Wherefore, plaintiff prays that the said decree be reversed insofar as it allows the said offset or counterclaim for the cost of drilling, equipping and operating the well in suit, and that a decree be rendered and entered, in favor of plaintiff herein, for the full value of the oil extracted and removed from the land in controversy, as shown by the report of the Master in Chancery, or, in default of such relief, that the cause be remanded to the District Court with instructions to enter a decree in favor of the plaintiff for the full value of said oil, without offset or deduction of any kind.

Plaintiff further prays that, in any event, the costs of drilling and equipping said well be deducted and excluded from any allowance that may be made to defendants as an offset or counterclaim herein.

Plaintiff further prays that in all other respects the said decree be affirmed.

ROBERT A. HUNTER,

Special Assistant to the Attorney General.

Indorsed:

105 Plaintiff's Petition for Cross Appeal, Order
thereon, and Assignment of Errors. Filed Nov.
12, 1919.

106

STIPULATION OF COUNSEL.

In the District Court of the United States for the Western District of Louisiana.

United States of America,

vs.

No. 1156.

Henry Hunsicker, et al.

Counsel for plaintiff and defendants do hereby enter into the following stipulation relative to the contents of the record on appeal in the above numbered and entitled cause:

Whereas, this cause, together with suits numbered 1, 154, 1159, 1168, 1170 and 1171, were consolidated in the District Court for trial with the case entitled United States v. Sam. Mason, et al., No. 1172 on the docket of said Court, which suit has likewise been appealed to the United States Circuit Court of Appeals for the Fifth Circuit; and

Whereas, in order to reduce the size of the several transcripts counsel have agreed that the record on appeal in the said cause (No. 1172, United States v. Sam W. Mason, et al.) shall contain and include certain testimony, exhibits, the Master's report, and the opinion of the Court in full, which testimony, exhibits, report and opinion are applicable to all of the cases so consolidated; and

Whereas, counsel have agreed to incorporate in the transcript in this cause only the pleadings, exhibits and other matters specially applicable to this suit; now, therefore:

It is stipulated that the transcript of appeal in the said cause, entitled United States v. Sam W. Mason, et al., No. 1172, on the docket of the United States District Court for the Western District of Louisiana, shall be a part of the record on appeal in this suit, and shall be applicable thereto.

To avoid the inclusion in the transcript of the plats, land office records and other exhibits offered
107 by plaintiff for the purpose of proving its ownership of the land in dispute, and the survey thereof, and as supplementing the admissions in the record, it is stipulated that the tract in controversy was embraced in a mineral location filed by defendants, as alleged in the bill of complaint, and that at the time said location was made, the said tract was public land of the United States, the defendants claiming under the United States only and through the said mineral location.

It is stipulated that the mineral location and lease set forth in the bill of complaint were made and filed at the time, as alleged in said bill.

It is stipulated that the Clerk shall prepare the transcript of appeal in this cause and shall copy into and incorporate therein the following, to-wit:

1. Bill of complaint.
2. Answer of Henry Hunsicker.
3. Answer of Texas Company.
4. Answer of Producers Oil Company.
5. Plaintiff's reply to setoff and counterclaim.

6. Answer of Charles J. Greene, Jr.
7. Amended answer of Producers Oil Company.
8. Interrogatories propounded by plaintiff to defendants.
9. Answer of The Texas Company to interrogatories.
10. Answer of Producers Oil Company to interrogatories.
11. Answer of Charles J. Greene, Jr., to interrogatories.
12. Motion to dismiss on the part of the Producers Oil Co.
13. Motion to dismiss on the part of C. J. Greene, Jr.
14. Motion to dismiss on the part of The Texas Company.
15. Order of Court, overruling the motions to dismiss and sustaining motions to strike out certain interrogatories.
16. Minutes of Court showing overruling of pleas of defendants.
17. Order appointing E. H. Randolph, Special Master in Chancery.
- 108 18. Statement prepared by James W. Neal, Special Agent of the General Land Office, and

identified by him, showing quantity and value of oil, royalties paid, costs of drilling and operating well, together with all other information given in said statement, marked plaintiff's exhibit H, omitting the fifty-one typewritten pages thereto annexed, which give in detail the items summarized in said exhibit.

19. Letter from the Commissioner of the General Land Office to Murphy J. Foster, marked Plaintiff's Exhibit A.

20. Exceptions of the Texas Company to Master's report.

21. Exceptions of Henry Hunsicker to Master's report.

22. Exceptions of Producers Oil Co. to Master's report.

23. Exceptions of plaintiff to Master's report.

24. Final decree.

25. Defendant's petition for appeal, and order thereon.

26. Assignment of errors.

27. Supersedeas bond on appeal.

28. Plaintiff's petition for cross appeal, order thereon and assignment of errors.

30. This stipulation.

Thus done and signed, this 12th day of May, 1920.

ROBERT A. HUNTER,
Attorney for Plaintiff.

COOK and COOK,
HAMPDEN STORY,
THIGPEN & HEROLD,
Attorneys for Defendants.

Filed May 14, 1920.

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CERTIFICATE.

I, W. B. LEE, Clerk of the District Court of the United States for the Western District of Louisiana, Fifth Circuit, do hereby certify that the foregoing one hundred and eight pages contain and form a full, true, correct and complete transcript of the record, assignment of errors and all proceedings had in a cause wherein The United States of America is plaintiff and Henry Hunsicker, et al., are defendants, No. 1156 In Equity, on the Docket of said Court, as fully as the same remains on file and of record in my office at Shreveport, Louisiana,—this transcript having been prepared in accordance with stipulation of counsel, a copy of which accompanies this transcript.

Witness my hand officially and the seal of said Court at the City of Shreveport, Louisiana, on the 19 day of May, A. D. 1920.

(Seal)

W. B. LEE, Clerk, U. S. District Court, for the Western District of Louisiana.

Citations omitted from the printed record, being filed in the Original.

• • • • •

And that thereafter the following proceedings were had in said cause in the United States Circuit Court of Appeals for the Fifth Circuit, viz:

Argument and Submission.

Extract from Minutes February 24, 1921.

No. 3542.

HENRY HUNSICKER et als.

versus

THE UNITED STATES OF AMERICA, etc.

On this day this cause was called, and, after argument by Robert A. Hunter, Esq., Special Assistant to the Attorney General, for appellee and cross-appellant, and S. L. Herold, Esq., for appellants and cross-appellees, was submitted to the Court.

Opinion of the Court.

Filed May 17th, 1921.

In the United States Circuit Court of Appeals, Fifth Circuit.

No. 3541.

THE UNITED STATES OF AMERICA, Appellant,

versus

W. W. GREEN et als., Appellees.

Appeal from the District Court of the United States for the Western District of Louisiana.

Robert A. Hunter, Special Assistant to the Attorney General, for Appellant.

S. L. Herold and J. A. Thigpen, for Appellees.

No. 3542.

HENRY HUNSICKER et als., Appellants and Cross-Appellees,

versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Appeal and Cross-appeal from the District Court of the United States for the Western District of Louisiana.

Hampden Story, for Appellants and Cross-Appellees,

Robert A. Hunter, Special Assistant to the Attorney General, for Appellee and Cross-Appellant.

No. 3543.

THE UNITED STATES OF AMERICA, Appellant,

versus

ARKANSAS NATURAL GAS COMPANY et als., Appellees.

Appeal from the District Court of the United States for the Western District of Louisiana.

Robert A. Hunter, Special Assistant to the Attorney General, for Appellant.

S. L. Herold and J. A. Thigpen, for Appellees.

No. 3544.

B. R. NORVELL et als., Appellants and Cross-Appellees,

versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Appeal and Cross-appeal from the District Court of the United States for the Western District of Louisiana.

S. L. Herold and J. A. Thigpen, for Appellants and Cross-Appellees.

Robert A. Hunter, Special Assistant to the Attorney General, for Appellee and Cross-Appellant.

No. 3545.

W. H. MATTHEWS et als., Appellants and Cross-Appellees,

versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Appeal and Cross-appeal from the District Court of the United States for the Western District of Louisiana.

S. L. Herold and J. A. Thigpen, for Appellants and Cross-Appellees.

Robert A. Hunter, Special Assistant to the Attorney General, for Appellee and Cross-Appellant.

No. 3546.

DILLARD P. EUBANK et als., Appellants and Cross-Appellees,
versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Appeal and Cross-appeal from the District Court of the United States
for the Western District of Louisiana.

S. L. Herold and J. A. Thigpen, for Appellants and Cross-Appellees.

Robert A. Hunter, Special Assistant to the Attorney General, for Appellee and Cross-Appellant.

No. 3547.

LYDIA HANSZEN McMULLEN et als., Appellants and Cross-Appellees,
versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Appeal and Cross-appeal from the District Court of the United States
for the Western District of Louisiana.

S. L. Herold and J. A. Thigpen, for Appellants and Cross-Appellees.

Robert A. Hunter, Special Assistant to the Attorney General, for Appellee and Cross-Appellant.

Before Walker, Bryan, and King, Circuit Judges.

WALKER, *Circuit Judge*:

Each of these cases is so far like the case of *Mason, et al., v. United States*, Ms. U. S. Circuit Court of Appeals, Fifth Circuit, that the opinion rendered in the cited case sufficiently discloses the grounds relied on to support the decisions now announced. The decree in each of these cases is affirmed in so far as it was in favor of the plaintiff below, and is reversed in so far as it credited the defendants below or any of them with drilling and operating costs incurred, and the cases are remanded, with direction that the accounting and the decrees be conformed to the views expressed in the opinion above referred to.

Affirmed in part.

Reversed in part.

Judgment.

Extract from Minutes of May 17th, 1921.

No. 3542.

HENRY HUNSICKER et als.

versus

THE UNITED STATES OF AMERICA, etc.

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Western District of Louisiana, and was argued by counsel;

On consideration whereof, It is now here ordered, adjudged and decreed by this Court, that the decree of the said District Court in this cause, be, and the same is hereby affirmed in so far as it was in favor of the plaintiff in the said District Court; and that the said decree be, and it is hereby reversed in so far as it credited the defendants in the said District Court, or any of them, with drilling and operating costs incurred; and that this cause be, and it is hereby remanded to the said District Court for further proceedings in conformity to the opinion of this Court.

Petition for Appeal.

Filed June 9th, 1921.

In the United States Circuit Court of Appeals, Fifth Circuit.

In Equity.

No. 3542.

HENRY HUNSICKER, CHARLES J. GREENE, JR., PRODUCERS OIL COMPANY, and The Texas Company, Appellants and Cross-Appellees,

versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

To the Honorable Judges of the United States Circuit Court of Appeals, Fifth Circuit:

The above Appellants and Cross-Appellees, conceiving themselves aggrieved by the decree made and entered in said cause, on the 17th day of May, 1921, do hereby appeal from said decree to the Supreme Court of the United States, for the reasons specified in the assignment of errors, which is herewith annexed, and made a part hereof, and that their appeal be allowed with supersedeas; that citation issue as provided by law; and that transcript of the record, proceedings,

and papers upon which said decree was made, duly authenticated, may be sent to the Supreme Court of the United States.

And further, your petitioners pray that, desiring to supersede the execution of said decree, they here tender bond in the amount as the court may require, for such purpose, and pray that with the allowance of the appeal, a supersedeas will be issued.

(Signed)

(Signed)

(Signed)

HAMPDEN STORY,
S. L. HEROLD,
S. M. COOK,
Solicitors.

Order.

The petition is granted, and appeal is allowed, and shall operate as supersedeas upon petitioners filing a bond in the sum of Eighty-three thousand (\$83,000.00) Dollars, with sufficient surety, conditioned as required by law.

Dated 7th day of June, 1921.

(Signed)

R. W. WALKER,
*Judge of the United States Circuit Court
of Appeals, Fifth Circuit.*

Assignment of Errors.

Filed June 9th, 1921.

United States Circuit Court of Appeals, Fifth Circuit.

No. 3542.

HENRY HUNSICKER et als., Appellants and Cross-Appellees,

versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

And now come all of said appellants and cross appellees (defendants in the District Court), and say that the opinion and decree filed herein on the 17th day of May, 1921, is erroneous and is unjust to them; and, for specification of such errors, they show:

First.

The Court erred in holding that the executive order of December 15th, 1908, withdrawing from settlement and entry or other form of appropriation the public lands in certain townships (including the township wherein the property in controversy is located) was a withdrawal from location under the placer mining laws.

Second.

The Court erred in holding that the defendants were not entitled to hold, occupy, possess and operate the property in controversy as a placer mining location with the right to all the oil produced therefrom.

Third.

The Court erred in holding defendants to be trespassers.

Fourth.

The Court erred in holding that defendants are liable for the value of the oil extracted from the property.

Fifth.

The Court erred in holding (after erroneously condemning defendants for the value of the oil taken from the land) that defendants are not entitled to deduct therefrom the amount of expenses actually incurred in producing such oil.

Sixth.

The Court erred in holding that defendants did not act in good faith.

Seventh.

The Court erred in holding that defendants' acting upon advice of counsel under the circumstances of this case did not entitle them to allowance for the expenses actually incurred in producing the oil, for the value of which they are here condemned by said judgment.

Eighth.

The Court erred in reversing, without any evidence to sustain such conclusion, the concurrent findings of the Master and the District Judge that the advice of counsel, upon which defendants relied in operating the property in controversy, was the opinion generally entertained by the Bar and was given by competent counsel under such circumstances as to have entitled defendants to rely thereon.

Ninth.

The Court erred in holding that defendants' operations upon the property were wrongful acts, committed under such circumstances as to be regarded as a wilful taking of plaintiff's property.

Tenth.

The Court erred in refusing to determine the right of the defendants to deductions for the expense actually incurred in producing the oil according to the law of Louisiana.

Eleventh.

The Court erred in refusing to apply to this case the provisions of Article 501 of the Civil Code of Louisiana and the settled jurisprudence thereunder.

Twelfth.

The Court erred in holding that the substantial right of defendants to deduct expenses actually incurred by them in the production from land in Louisiana of oil, for the value of which plaintiff is awarded judgment, is not to be determined by the Federal Courts sitting in Louisiana according to the Code or settled jurisprudence of that State.

Thirteenth.

The Court erred in not reversing the decree of the District Court which refused to deduct, as an expense of operation of The Texas Company, the amount of oil delivered by it to its co-defendants as royalty.

Fourteenth.

The Court erred in allowing interest from the date of the Master's report.

Wherefore, the defendants pray that the said decree be reversed and for general relief.

(Signed)

(Signed)

(Signed)

S. L. HEROLD,
HAMPDEN STORY,
S. M. COOK,
Solicitors for Defendants.

Appeal Bond.

Filed June 9th, 1921.

United States Circuit Court of Appeals.

In Equity.

No. 3542.

HENRY HUNSICKER, CHARLES J. GREENE, JR., PRODUCERS OIL COMPANY, and THE TEXAS COMPANY, Appellants and Cross-Appellees,

versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Know all men by these presents, That we, Henry Hunsicker, Charles J. Greene, Jr., Producers Oil Company, and The Texas Com-

pany, as principals, and United States Fidelity and Guaranty Company of Baltimore, Maryland, as surety, are held and firmly bound unto and in favor of the United States of America, appellee in the above numbered and entitled cause, in the full sum of Eighty-three Thousand (\$83,000.00) Dollars, for the payment of which well and truly to be made, we hereby bind ourselves, our successors and legal representatives firmly and in solido.

Dated at New Orleans, State of Louisiana, on this 7th day of June, 1921.

The condition of the above obligation is such that,

Whereas, on the 17th day of May, 1921, in the United States Circuit Court of Appeals, Fifth Circuit, in a suit pending in that Court, wherein Henry Hunsicker, Charles J. Greene, Jr., Producers Oil Company, and The Texas Company were appellants and cross-appellees, and the United States of America was appellee and cross-appellant, numbered on Equity Docket as No. 3542, wherein a decree was entered and signed against the said Henry Hunsicker, Charles J. Greene, Jr., Producers Oil Company, and The Texas Company; and

Whereas the said Henry Hunsicker, Charles J. Greene, Jr., Producers Oil Company and The Texas Company having obtained an appeal with supersedeas, to the United States Supreme Court;

Now therefore, if the said Henry Hunsicker, Charles J. Greene, Jr., said Producers Oil Company and The Texas Company, shall prosecute such appeal to effect, and answer all damages and costs if they fail to make their plea good, then the above obligation to be void; otherwise to remain in full force and effect.

(Signed)

HENRY HUNSICKER,
By S. L. HEROLD,

Atty.

(Signed)

CHARLES J. GREENE, JR.,
By S. M. COOK AND
HAMPDEN STORY,

Attys. at Law.

(Signed)

PRODUCERS OIL COMPANY,
By HAMPDEN STORY,

Atty. at Law.

(Signed)

THE TEXAS COMPANY,
By HAMPDEN STORY,

Principals.

(Signed)

UNITED STATES FIDELITY &
GUARANTY COMPANY,

[SEAL.]

By L. L. BEBOUT,

Its Attorney in Fact.

Approved this 7th day of June, 1921.

(Signed)

R. W. WALKER,
Circuit Judge.

Clerk's Certificate.

UNITED STATES OF AMERICA :

United States Circuit Court of Appeals, Fifth Circuit.

I, Frank H. Mortimer, Clerk of the United States Circuit Court of Appeals for the Fifth Circuit, do hereby certify that the pages numbered from 131 to 139 next preceding this certificate, contain full, true and complete copies of all the pleadings, record entries and proceedings, including the opinion of the United States Circuit Court of Appeals for the Fifth Circuit, in a certain cause in said Court, numbered 3542, wherein Henry Hunsicker, and others, are appellants and cross-appellees, and The United States of America is appellee and cross-appellant, as full, true and complete as the originals of the same now remain in my office.

I further certify that the pages of the printed record, numbered from 1 to 130, are identical with the printed record upon which said cause was heard and decided in the said Circuit Court of Appeals.

In testimony whereof, I hereunto subscribe my name, and affix the seal of the said Circuit Court of Appeals, at my office in the City of New Orleans, Louisiana, in the Fifth Circuit, this 21st day of June, A. D. 1921.

[Seal United States Circuit Court of Appeals, Fifth Circuit.]

FRANK H. MORTIMER,

Clerk of the United States Circuit Court of Appeals.

THE UNITED STATES OF AMERICA :

The President of the United States to the United States of America,
Greeting:

You are hereby cited and admonished to be and appear at a Supreme Court of the United States at Washington, D. C., within thirty days from the date hereof, pursuant to a petition and order for appeal sued out and filed in the Clerk's Office of the United States Circuit Court of Appeals for the Fifth Circuit, in the cause wherein Henry Hunsicker, Charles J. Greene, Jr., Producers Oil Company and The Texas Company are Appellants and Cross-Appellees, and the United States of America is Appellee and Cross-Appellant, No. 3542 of the Docket of said Circuit Court of Appeals, to show cause, if any there be, why the Decree rendered against the said Henry Hunsicker and others, as in said petition and order for appeal mentioned, should not be corrected, and why speedy justice should not be done to the parties in that behalf.

Witness, the Honorable Joseph McKenna, Senior Associate Justice of the United States, this 7th day of June in the year of our Lord one thousand nine hundred and twenty-one.

R. W. WALKER,
United States Circuit Judge.

[Endorsed:] No. 3542. United States Circuit Court of Appeals, Fifth Circuit. Henry Hunsicker et al., Appellants and Cross-Appellees, vs. United States of America, Appellee and Cross-Appellant. Citation. Filed 13^d day of June, 1921. Frank H. Mortimer, Clerk of the United States Circuit Court of Appeals.

Service of the within citation of appeal is hereby accepted and acknowledged this 11th day of June, 1921.

ROBERT A. HUNTER,
Special Assistant to the Attorney General.

Endorsed on cover: File No. 28,335. U. S. Circuit Court Appeals, 5th Circuit. Term No. 380. Henry Hunsicker, Charles J. Greene, Jr., Producers Oil Company, et al., appellants, vs. The United States of America. Filed June 28th, 1921. File No. 28,335.

(4273)

THE HISTORY OF THE
 NATION OF THE
 IROQUOIS

BY J. B. HARRIS

NEW YORK: PUBLISHED BY
 J. B. HARRIS, 1854.

NEW YORK:

1854.

(28,348)

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1921.

No. 393.

E. G. PALMER, MRS. FANNIE B. HEILPERIN, TUTRIX OF
NATALIE HEILPERIN; PURE OIL OPERATING COM-
PANY, ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA.

APPEAL FROM THE UNITED STATES CIRCUIT COURT OF APPEALS
FOR THE FIFTH CIRCUIT.

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UNITED STATES OF AMERICA:

United States Circuit Court of Appeals, Fifth Judicial Circuit.

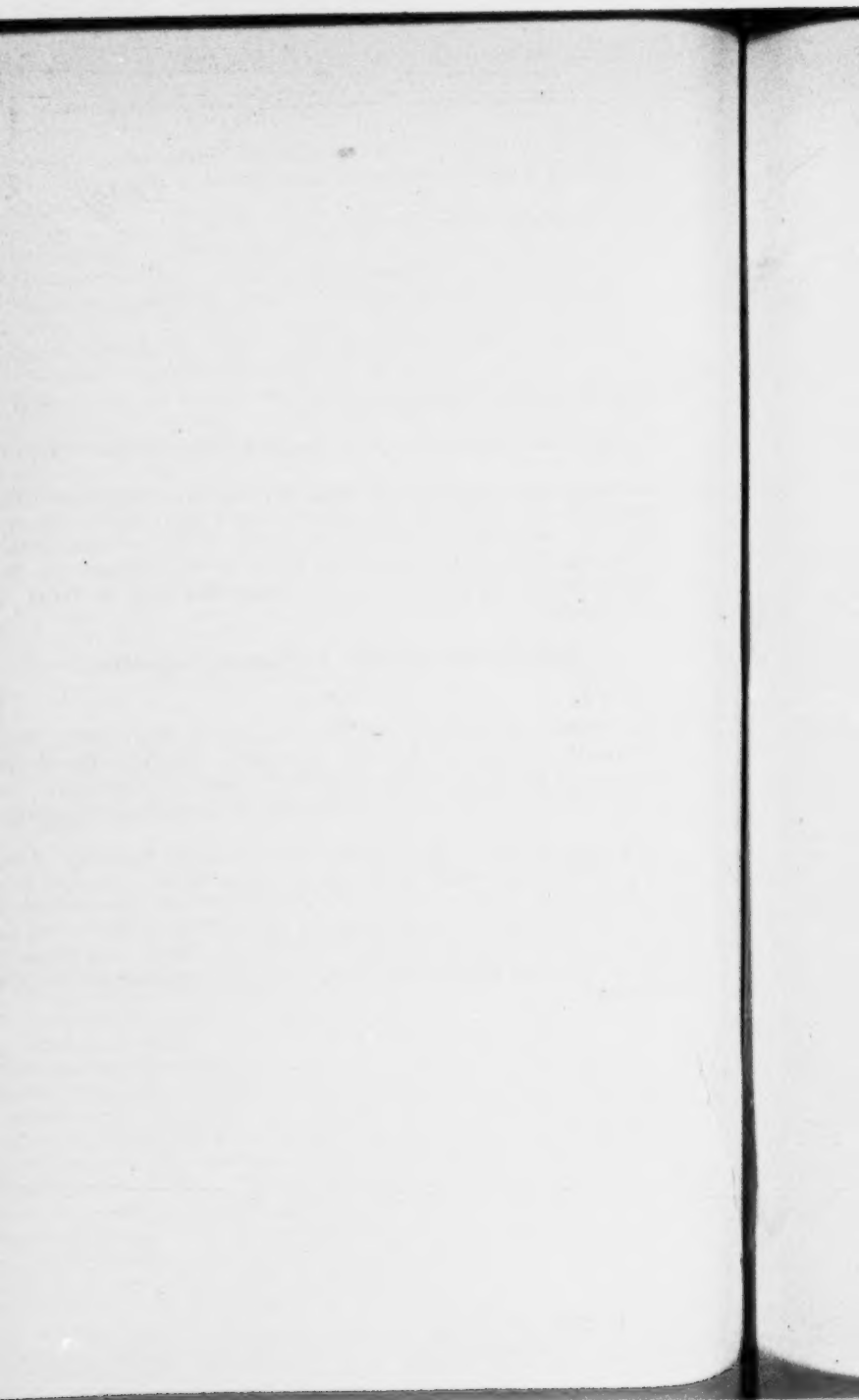
Pleas and proceedings had and done at a regular term of the United States Circuit Court of Appeals for the Fifth Circuit, begun on the third Monday in November, A. D. 1920, at New Orleans, Louisiana, before the Honorable Richard W. Walker, the Honorable Nathan P. Bryan, and the Honorable Alex. C. King, Circuit Judges.

THE UNITED STATES OF AMERICA, Appellant,

versus

W. W. GREEN, E. G. PALMER, MRS. FANNIE B. HEILPERIN, Tutrix of Natalie Heilperin, John L. Hargrove, Franklin Oil & Fuel Company, Humphrey Oil Company, Pure Oil Operating Company, and The Standard Oil Company of Louisiana, Appellees.

Be it remembered, That heretofore, to-wit, on the 25th day of May, A. D., 1920, a transcript of the above styled cause, pursuant to an appeal from the District Court of the United States for the Western District of Louisiana, was filed in the office of the Clerk of the said Circuit Court of Appeals for the Fifth Circuit, which said transcript was filed and docketed in said Circuit Court of Appeals as No. 3541, as follows:



UNITED STATES DISTRICT COURT, WESTERN
DISTRICT OF LOUISIANA.

UNITED STATES OF AMERICA,

Plaintiff,

versus

No. 1154 In Equity.

W. W. GREEN, ET AL.,

Defendants.

TRANSCRIPT OF APPEAL.

Taken by the United States of America, Plaintiff, to the
United States Circuit Court of Appeals, Fifth Cir-
cuit, New Orleans, Louisiana.

1 IN THE DISTRICT COURT OF THE UNITED
 STATES FOR THE WESTERN DISTRICT
 OF LOUISIANA, SHREVEPORT DIVI-
 SION.

UNITED STATES OF AMERICA,

Plaintiff,

versus.

No. 1154 In Equity.

W. W. GREEN, E. G. PALMER, MRS. FANNIE B.
HEILPERIN, Tutrix of Natalie Heilperin, JOHN
L. HARGROVE, FRANKLIN OIL AND FUEL COM-
PANY, HUMPHREY OIL COMPANY, PURE OIL
OPERATING COMPANY, STANDARD OIL COM-
PANY OF LOUISIANA,

Defendants.

To the Honorable Judge of the District Court of the
United States for the Western District of Louisiana,
sitting within and for the Shreveport Division:

The United States of America, by its Solicitor, Robert
A. Hunter, Special Assistant to the Attorney General,
acting herein under the direction and by the authority of
the Attorney General of the United States, brings this
bill of complaint against the following defendants:

W. W. Green, a citizen of Louisiana, and a resident
of the City of Carroll, in the Western District of said
State, Shreveport Division;

E. G. Palmer, a citizen of Louisiana, and a resident of
the City of Shreveport, in the Western District of said
State, Shreveport Division;

Mrs. Fannie B. Heilperin, tutrix of Natalie Heilperin,
a citizen of Louisiana, and a resident of the City of Shreve-

port, in the Western District of said State, Shreveport Division;

John L. Hargrove, a citizen of the District of Columbia, and a resident of the City of Washington;

Franklin Oil & Fuel Company, a corporation organized under the laws of the State of Tennessee and domiciled in the City of Washington, District of Columbia;

Humphrey Oil Company, a corporation organized under the laws of the State of Illinois and domiciled in the City of Chicago, Northern District of said State;

Pure Oil Operating Company, a corporation organized under the laws of the State of West Virginia and domiciled in the City of Pittsburg, Pennsylvania, and doing business in the Western District of Louisiana, with L. C. Blanchard of Shreveport, Louisiana, as its duly authorized agent for the service of process; and

2 Standard Oil Company of Louisiana, a corporation organized under the laws of the State of Louisiana, and domiciled in the City of Baton Rouge, Eastern District of said State;

and thereupon complains and shows unto your Honor:

I.

That on and before December 15, 1908, the plaintiff was the owner, as a part of its public domain, of a certain tract of land, which was then unsurveyed public land of the United States, but which has since been surveyed under the direction and with the approval of the Secre-

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tary of the Interior, and is now known and described as Lot Number Three (3) of Section Three (3) and Lots Numbers Four and Five (4 and 5) of Section Four (4), Township Twenty (20), North of Range Sixteen (16) West, Louisiana Meridian, Louisiana, situated in the Parish of Caddo, Louisiana, containing Twenty-five and ninety-one hundredths (25.91) acres, as shown by a plat of survey approved March 28, 1917, by Clay Tallman, Commissioner of the General Land Office, and ex-officio Surveyor General for the State of Louisiana.

That on and prior to the aforesaid date plaintiff was, and still is, the owner and entitled to the possession of the above described land, and likewise of all oil, petroleum, gas and other minerals therein contained.

II.

On December 15, 1908, in order to conserve the public interests, and in aid of such legislation as might thereafter be proposed, recommended and enacted, the President of the United States, by and through the Secretary of the Interior, and under the legal authority vested in him so to do, duly and regularly withdrew from settlement and entry and from all other forms of appropriation all of the public lands in Township 15 to 23 North, and Ranges 10 to 16 West, Louisiana Meridian, which withdrawal included the lands herein involved.

On the 2nd day of July, 1919, the President of the United State, acting by and through the Secretary of the Interior, by executive order, and under special authority conferred by the act of June 25, 1910, entitled "An Act to authorize the President of the United States to make withdrawals of Public lands in certain cases," ratified and confirmed and continued in full force and effect the pre-

3 vious order of withdrawal of December 15, 1908,
 above set forth, insofar as it affected the land
 described herein, including the same as a part
of Petroleum Reserve Number Four. That such lands so
withdrawn by said order of July 2, 1910, including the
land herein involved, were withdrawn from settlement,
location, sale or entry, and reserved for classification and
in aid of legislation affecting the use and disposal of
petroleum lands belonging to the United States.

Neither of said orders of withdrawal has ever been va-
cated but both are now in full force and effect, and said
lands above named, including the property involved here-
in, ever since the date of the first withdrawal, December
15, 1908, have not been subject to exploration for oil,
petroleum, gas, or other minerals, or to location or entry
of any kind under the general land laws, or minerals laws,
of the United States.

III.

Plaintiff avers that notwithstanding said orders of with-
drawal, and in violation of the rights of the plaintiff, and
contrary to its laws, and without any valid title, lawful,
right or authority, the defendants herein, in bad faith,
entered upon and took possession of the tract particularly
described in paragraph I hereof, for the purpose of drill-
ing thereon for oil and gas, and did so drill one well
known as "Green No. 1," and did withdraw therefrom
large quantities of oil and gas, the exact amount and value
of which is unknown, all to the great and irreparable in-
jury of plaintiff.

IV.

That on and prior to the dates of the withdrawal or-
ders hereinabove set forth, to-wit: December 15, 1908, and

July 2, 1910, none of the said defendants, or any one from whom the defendants, or any of them, claim, was in the possession of said land, or a bona fide occupant thereof in diligent prosecution of work thereon leading to a discovery of oil or gas, and no such discovery was in fact made prior to said orders of withdrawal, nor until long after said orders were issued, and had become effective to withdraw said land from location, entry and other appropriation.

V.

Plaintiff is informed and believes that the oil and gas withdrawn from the said tract of land, as above
 4 set forth, were extracted therefrom under the color of a pretended mineral location made by defendant W. W. Green, who pretended to act under the placer mining laws of the United States, which said location was recorded May 9, 1910, in Book 59, page 431, of the Conveyance Records of Caddo Parish, Louisiana. That said pretended mineral location embraced Eight and one-half ($8\frac{1}{2}$) acres, included in, and forming a part of the land herein involved, and is in words and figures as follows:

Notice of Mining Location:

W. W. Green,
 to
 The Public.

To whom it may concern:

Notice is hereby given that the undersigned, a citizen of the United States over the age of twenty-one years, having complied with the requirements of Chap. VI, of Title 32 of the Revised Statutes of the United States and

the local mining laws, rules and regulations concerning the locations under mining laws of the United States lands containing petroleum or other mineral oils, having located eight and one half ($8\frac{1}{2}$) acres of land in Caddo Parish, of Louisiana, described as follows:

Beginning at SE Cor. Sec. 4-20-16, thence W. 1320 ft. to corner, thence North 148 ft. to corner; thence East 2640 ft. to corner thence South 148 ft. to corner, thence West 1320 ft. to place of beginning, containing $8\frac{1}{2}$ acres of land, and I hereby declare my intention of complying with the laws relative to the working and holding of the same, a survey having been made and marked at each corner and a notice posted at every corner in a conspicuous place.

Witness my hand this 25th day of April, 1910.

(Signed) W. W. GREEN.

Witnesses:

F. E. CHALK,
TOBE DRESSE.

That said pretended locator himself made no effort to explore said land, or drill for oil and gas thereon, but on December 27, 1911, executed a mineral lease thereof to J. G. Johns, who, on the same date transferred said lease to the Humphrey Oil Company, defendant herein.

That the said Humphrey Oil Company, under its lease from the said Green, drilled a well on said land, and has taken therefrom a large quantity of oil and gas, which it marketed and sold to the Pure Oil Operating Company, defendant herein, which, in turn, sold the same to the Standard Oil Company of Louisiana, defendant herein; that the said Humphrey Oil Company, Pure Oil Operating Company, and Standard Oil Company of Louisiana,

defendants, received the price and value of the oil and gas so produced, marketed and sold, less a royalty paid to the said W. W. Green, John Hargrove, H. L. Heilperin, E. G. Palmer, and Franklin Oil & Fuel Com-
 5 pany, the four last named having acquired an interest in the said lease and mineral location, the amount and proportions of which price so received, and of which royalties so paid, being to the plaintiff unknown. That the said H. L. Heilperin has since died, leaving as his sole heir his daughter, Natalie Heilperin, a minor, whose tutrix, Mrs Fannie B. Heilperin, is one of the defendants herein. The exact quantity of oil and gas so produced, withdrawn from said land, marketed and sold, the value thereof, and the price and royalties paid to, and received by, the defendants herein, being unknown to plaintiff, full discovery from the said defendants is sought.

VI.

Plaintiff avers that the defendants are now unlawfully trespassing upon the said land and are asserting claims thereto and will continue to do so, that they will also drill other wells, operate the same, and sell and dispose of the oil and gas produced therefrom, and, unless restrained by order of this Court, will otherwise trespass on said land, to the great and irreparable damage of the plaintiff.

VII.

Plaintiff avers that the value of said land and the oil and gas taken therefrom exceeds the sum of Five Thousand (\$5,000.00) Dollars, and that all of the defendants herein acted in bad faith in the premises.

VIII.

In consideration whereof and foreasmuch as the plaintiff is without full, adequate and complete remedy in the premises save in a Court of Equity, plaintiff prays:

1. That the said defendants be each required to make full, true and direct answers to all and singular the matters and things herein set forth, and to disclose their claim to said land and the amount and value of the oil and gas taken therefrom, as fully as if they had been particularly interrogated.

2. That the land above described may be decreed by this Court to have been at all times from and after December 15, 1908, lawfully withdrawn from settlement, entry, location, sale or other form of appropriation under the public land or mineral laws of the United States.

6 3. That the aforesaid mineral location made by W. W. Green, and leases and transfers thereof, as set forth in paragraph V of this bill, be declared null and void, and that the same be cancelled and annulled.

4. That the land above described may be adjudged and decreed to be the perfect property of the plaintiff, free and clear of all claims of the said defendants or any of them, and that the possession of said land may be restored to the plaintiff.

5. That said defendants, during the progress of this cause, and finally and perpetually thereafter, may be enjoined from setting up any claim to said land, or any part thereof, and from creating any cloud upon plaintiff's title to the same, or to any of the oil, gas or minerals on or under the same, and from going upon said land, or in any manner using the same, or extracting oil or other minerals therefrom.

6. That a receiver may be appointed by this Court to take possession of said land and of all wells, improvements and drilling paraphernalia thereon, and any other property and instrumentalities on said land, used for the purpose of boring and extracting, storing and transporting oil or gas, with full power and authority to continue operations on said land in the production and sale of oil, gas and other minerals, and to do and perform such acts as may be necessary to protect the property of plaintiff against injury and waste and for the preservation thereof.

7. That an accounting may be had by each of said defendants wherein each of them shall make a full, complete, itemized and correct disclosure of the quantity of oil and gas removed or extracted from said land and of any and all moneys, or things of value, derived from the sale and disposition of same, and all rents, royalties and proceeds arising from the sale or lease of same, and that the plaintiff may recover from the said defendants, respectively, all such sums so received by them, and all damages sustained by plaintiff in the premises.

8. May it please the Court that writs of subpoena issue directed to W. W. Green, E. G. Palmer, Mrs. Fannie B. Heilperin, tutrix, and the Pure Oil Operating Company, commanding them at a certain time and
7 under a certain penalty therein to be named, to appear before this Honorable Court and then and there full, true and direct answers make to all and singular the premises, and to stand to perform and abide by such order, direction and decree as may be made against them in the premises and as shall be meet and agreeable to equity.

9. And may it further please the Court that an order be granted and entered, directed to the following defendants, not inhabitants of, or now within, this District, to-wit: John L. Hargrove, Franklin Oil & Fuel Company, the Humphrey Oil Company, and the Standard Oil Company of Louisiana, and served as provided by law, directing said defendants to appear and answer in this cause on a day certain to be designated by this Court.

10. That plaintiff may have such other and further relief as may seem just to this Honorable Court, and agreeable to equity and good conscience.

ROBERT A. HUNTER,

Special Assistant to the Attorney General.

AFFIDAVIT.

United States of America,
Northern District of California.

D. R. THOMPSON, being first duly sworn, deposes and says:

That is Mineral Inspector of the General Land Office, and, as such, has made investigation of the status of the lands belonging to the United States in the Parish of Caddo, Louisiana, from which oil and gas have been extracted, and, particularly, of the land described in the foregoing bill of complaint, withdrawn by the President from entry, location and all forms of appropriation by order of December 15, 1908, and July 2, 1910; and that from the examination of such lands, and from examination of the records of the General Land Office and of

the local Land Office in the State of Louisiana, he has knowledge of the facts set forth in the foregoing bill of complaint, and that the facts and allegations therein contained are true.

D. R. THOMPSON.

Sworn to and subscribed before me this 5th day of July, 1917.

(Seal) LYLE S. MORUS,
Deputy Clerk United States
District Court, Northern Dis-
trict of California.

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ORDER.

The above and foregoing bill of complaint and affidavit being considered, and it appearing to the Court that John L. Hargrove, the Franklin Oil & Fuel Company, the Humphrey Oil Company and the Standard Oil Company of Louisiana, are not inhabitants of the Western District of Louisiana, and are domiciled outside of said District,

It is therefore ordered that the said absent defendants be, and they are hereby, directed to appear, and answer to the above and foregoing bill of complaint at Shreveport, in the Western District of Louisiana, on the 1st day of September, 1917, at the hour of ten o'clock A. M., and that service of duly certified copies of the said bill of complaint and of this order be made on said defendants, respectively, wherever found.

Thus done and signed this 17th day of July, 1917.

RUFUS E. FOSTER,
United States Judge.

Indorsed: Bill of complaint and order for process to issue on absent defts. Filed Jul. 18, 1917.

9 **THE ANSWER OF THE PURE OIL OPERATING COMPANY, DEFENDANT IN THE ABOVE ENTITLED AND NUMBERED CAUSE.**

In the District Court of the United States, for the Western District of Louisiana, Shreveport Division.

United States of America,

Plaintiff,

vs.

No. 1154 In Equity.

W. W. Green, E. G. Palmer, Mrs. Fannie B. Heilperin, Tutrix of Natalie Heilperin, John L. Hargrove, Franklin Oil & Fuel Company, Humphrey Oil Company, Pure Oil Operating Company, Standard Oil Company of Louisiana,

Defendants.

And now comes the said defendant and for answer to the bill of complaint herein filed says:

I.

The ownership of the United States, on or before December 15th, 1908, of the tract of land described in Article I of the bill of complaint is admitted; but it is denied that plaintiff is now the owner thereof or entitled to the possession of said land or of the minerals therein contained.

II.

It is denied that the presidential withdrawal of December 15th, 1908, affected the right of any duly qualified citizen to locate said property under the mining laws of

the United States or that such order pretended to operate to withdraw said tract from location and purchase.

It is admitted that the withdrawal order of July 2nd, 1910, (issued under authority of the act of Congress approved June 25th, 1910) ratified and confirmed said order of December 15th, 1908, and withdrew thereafter all lands embraced within the terms of such last order from location. But, as aforesaid, it is denied that the first withdrawal order operated to prevent location of said tract under the mining laws, and defendant shows that

10 the last order specially excepted from its force and effect all tracts then possessed by bona fide occupants who had theretofore made discovery, or were then in diligent prosecution of work leading to a discovery of oil or gas, such rights being expressly saved from interference by executive order, by the provisions of said act of June 25th, 1910.

It is admitted that neither of said orders of withdrawal has ever been vacated; but it is denied that since December 15th, 1908, the property involved herein has not been subject to exploration or location under the mineral laws of the United States.

III.

Defendant admits that it entered upon and took possession of said property for the purpose of operating the same for oil and gas, but denies that it drilled the well referred to in the bill of complaint. Defendant shows that its possession of said property was legal and in good faith as lessee of locators, under a valid and legal mineral location, and not in violation of any rights of the plaintiff or contrary to its laws, or without any valid title, right or authority, or in bad faith, or to the injury of the plaintiff.

IV.

The averments of Article Four of the bill of complaint are denied and defendant shows that said property forms part of the tract of land included in the mineral location made by Miss Lydia Hanszen and others on the second day of April, 1910, as per notice of location recorded in Conveyance Book 59, page 267, of the records of Caddo Parish, Louisiana, of which said property the said mineral locators were in possession as bona fide occupants thereof, in diligent prosecution of work thereon leading to a discovery of oil, at the date of and prior to said withdrawal order of July 2nd, 1910.

V.

Defendant shows that it knows nothing of the purported location made by W. W. Green and claims nothing thereunder; but defendant shows that its possession of said property was under its lease hereinafter set out, and that it extracted the oil from the said property under and
11 by virtue of its rights as lessee of Miss Lydia Hanszen (now Mrs. Lydia Hanszen McMullen), H. Earl Barnes, Sam W. Mason, Robert L. Stringfellow, and Dillard P. Eubanks, who were the legal locators of the tract of land of which the property in controversy forms part; said location having been made by the said lessors on the second day of April, 1910, as fully appears from notice of location recorded in Conveyance Book 59, page 267, of the records of Caddo Parish, Louisiana.

Defendant shows that in violation of the rights of said locators, the said W. W. Green entered upon the tract of land involved herein and made the pretended location thereof, a well being drilled by the pretended lessee of the said Green, which, on the 17th day of December, 1912,

sold to E. G. Palmer and H. L. Heilperin, all of its rights, title and interest in said tract of land and in the said well; the said Heilperin and Palmer surrendering possession thereof to this defendant under an agreement of date January 16th, 1913; which said agreements will be filed in evidence on the trial hereof.

Defendant shows that having secured possession of the said property under said agreement, it continued to operate the said well, and extracted therefrom two thousand nine hundred and seventy-nine (2,979) barrels of oil of the market value of Two Thousand Nine Hundred and Eighty-six & 95/100 (\$2,986.95) Dollars; operating the said well at its own expense.

VI.

Defendant denies that it is now or ever has unlawfully trespassed upon the said property and shows that all of its material has been removed therefrom.

VII.

Defendant denies that it acted in bad faith in the premises, but avers its good faith in all the acts and dealings aforesaid.

VIII.

And now defendant shows that said land was not withdrawn from mineral location until July 2nd, 1910, at which said date and prior thereto, the said mineral locators were in the actual possession of the said land as bona fide occupants thereof, in diligent prosecution of work thereon leading to a discovery of oil (which said discovery was in fact made through such work on the tenth day of

(September, 1910) and that as such, all the rights of the said locators were specially saved and excepted from the scope, force and effect of said withdrawal, by its own terms and by the effect of the act of Congress approved June 25th, 1910.

IX.

Defendant shows that it took possession of the said property in good faith under said lease from Miss Lydia Hansen and others, whom it believed and had the right to believe lawfully entitled to possession thereof and to the minerals therein contained, with the full and exclusive right to drill upon and operate said property for the production of oil, gas and other minerals; and that it secured the possession of the said well and operated the same under such belief of right.

And defendant shows that in the event the Court should hold that the plaintiff is the owner of said land, then that this defendant is entitled to be reimbursed the entire cost of operating the said well before it can be held liable, if any liability there be, for any oil extracted therefrom; the cost and expense of which said operation will be set up later by an amendment hereto.

Wherefore, having made full and complete answer to all the allegations of the aforesaid bill of complaint, defendant prays that said bill be dismissed with all costs in this behalf sustained.

In the alternative, that in the event plaintiff should be adjudged the owner of said property and entitled to an accounting for the oil extracted therefrom, then defendant prays that it may be adjudged not liable to the plaintiff on such account until said plaintiff have first repaid and reimbursed defendant

the entire cost of drilling and equipping said well and of the operation thereof up to date of final settlement; and that if this relief be refused, then that all such expenditures and outlays by said defendant in the production of such oil be held and adjudged by this Court to be offsets on said account in favor of said Pure Oil Operating Company and against plaintiff.

And defendant prays for all orders and decrees necessary or proper in the premises and for general relief.

BARNETT & BLANCHARD,
THIGPEN & HEROLD,
Solicitors for Defendant.

Indorsed: Answer of Pure Oil Operating Company. Thigpen & Herold; Barnett & Blanchard. Filed Sept. 29, 1917.

B.

14 In the District Court of the United States, for the Western District of Louisiana, Shreveport Division.

United States of America, Plaintiff,

vs. No. 1154 In Equity.

W. W. Green, E. G. Palmer, Mrs. Fannie B. Heilperin, Tutrix of Natalie Heilperin, John L. Hargrove, Franklin Oil and Fuel Company, Humphrey Oil Company, Pure Oil Operating Company, Standard Oil Company of Louisiana, Defendants.

The defendants, E. G. Palmer and Mrs. Fannie P. Heilperin, Tutrix of Natalie Heilperin, answer the bill of complaint herein brought against them as follows:

I.

The ownership by the United States, on and before December 15th, 1908, of the tract of land described in Article I of the bill of complaint is admitted; but it is denied that plaintiff is now the owner thereof or entitled to the possession of said land or of the minerals therein contained.

II.

It is denied that the presidential withdrawal of December 15th, 1908, affected the right of any duly qualified citizen to locate said property under the mining laws of the United States or that such order pretended to operate to withdraw said tract from location and purchase.

It is admitted that the withdrawal order of July 2nd, 1910, (issued under authority of the act of Congress approved June 25th, 1910) ratified and confirmed said order of December 15th, 1908, and withdrew thereafter all lands embraced within the terms of such last order from location. But, as aforesaid, it is denied that the first withdrawal order operated to prevent location of said tract under the mining laws, and defendants show that the last order specially exempted from its force and effect all tracts then possessed by bona fide occupants who had theretofore made discovery, or were then in
15 diligent prosecution of work leading to a discovery of oil or gas, such rights being expressly saved from interference by executive order, by the provisions of said act of June 25th, 1910.

It is admitted that neither of said orders of withdrawal have ever been vacated; but it is denied that since December 15th, 1908, the property involved herein has not been subject to exploration or location under the mineral laws of the United States.

III.

Defendants deny that in violation of any rights of the plaintiff or contrary to its laws, or without any valid title, right or authority, or in bad faith, they entered upon and took possession of the tract of land in controversy, or that they drilled thereon for oil or gas; but defendants show that on the 17th day of December, 1912, H. L. Heilperin and E. G. Palmer purchased from the Humphrey Oil Company the drilling equipment, pipe and accessories used by the said Company in the Caddo oil fields, according to the list, inventory and description of property accompanying the said instrument, the said sale including the oil well drilled by the vendor on the property here in controversy, as fully appears from said act of sale, certified copy of which will be produced upon the trial hereof. And defendants show that subsequent to their purchase thereof they operated said well for the production of oil for a short time, under the terms of said assignment, subsequently surrendering possession thereof to Pure Oil Operating Co., lessee of L. Hanszen, et als, which thereafter operated said well for a time, paying a portion thereof to defendants according to agreement which will be produced on trial hereof; after paying royalties as therein provided, the total amount of oil sold by defendants from the production of said well being One Thousand Four Hundred and Seventy-Three and 56/100 (\$1,473.56) Dollars.

IV.

The averments of Article Four of the bill of complaint are denied and defendants show that said property forms part of the tract of land included in the mineral location made by Miss Lydia Hanszen and others on the second day of April, 1910, as per notice

of location recorded in Conveyance Book 59, page 267, of the records of Caddo Parish, Louisiana, of which said property the said mineral locators were in possession as bona fide occupants thereof, in diligent prosecution of work thereon leading to a discovery of oil, at the date of and prior to said withdrawal order of July 2nd, 1910.

V.

Defendants say that they do not and did not claim the said property under the mineral location made by Wm. W. Green; but that all of the oil received by them as aforesaid, was received under an agreement from the Pure Oil Operating Company, the lessee of Miss Lydia Hanszen and others, the mineral locators above referred to, under an agreement entered unto between H. L. Heilperin and E. G. Palmer, on the one part, and the Pure Oil Operating Company, of the other part, on January 16th, 1914, which will be produced and filed on the trial hereof.

VI.

Defendants deny that they are now or ever have unlawfully trespassed upon the said property and show that all of their material has been removed therefrom.

VII.

Defendants deny that they or either of them acted in bad faith in the premises, but aver their good faith in all the acts and dealings aforesaid.

VIII.

And now defendants show that said land was not withdrawn from mineral location until July 2nd, 1910, at

which said date and prior thereto, the said mineral locators were in the actual possession of the said land as bona fide occupants thereof, in diligent prosecution of work thereon leading to a discovery of oil (which said discovery was in fact made through such work on the tenth day of September, 1910) and that as such, all the rights of the said locators were specially saved
17 and excepted from the scope, force and effect of said withdrawal, by its own terms and by the effect of the act of Congress approved June 25th, 1910.

Wherefore, having made full and complete answer to all the allegations of the aforesaid bill of complaint, defendants pray that said bill be dismissed with all costs in this behalf sustained.

And defendants pray for all orders and decrees necessary or proper in the premises and for general relief.

THIGPEN & HEROLD,
Solicitors for Defendants.

Indorsed:—No. 1154 In Equity. United States District Court, Western District of Louisiana. United States of America vs. W. W. Green, et al. Answer of Mrs. Fannie B. Heilperin, Tutrix, and E. G. Palmer. Thigpen & Herold. Filed Sept. 29, 1917. W. B. Lee, Clerk, U. S. District Court, West. Dist. of Louisiana.

B.

18 In the District Court of the United States for
the Western District of Louisiana, Shreve-
port Division.

United States of America, Plaintiff,

vs. No. 1154 In Equity.

W. W. Green, E. G. Palmer, Mrs. Faune B. Heilperin,
Tutrix of Natalie Heilperin, John L. Hargrove, Frank-
lin Oil and Fuel Company, Humphrey Oil Company,
Pure Oil Operating Company, Standard Oil Company
of Louisiana, Defendants.

To the Honorable Judge of the District Court of the
United States for the Western District of Louisiana
sitting within and for the Shreveport Division:

The answer of the Standard Oil Company of Louisiana,
one of the defendants, to the Bill of Complaint of the
United States of America, complainant.

This defendant saving and reserving unto itself all and
all manner of benefits and advantages of exception, which
can or may be had or taken to the many errors, uncer-
tainties and other imperfections in said bill of complaint
contained, for answer thereunto, or to so much and such
parts thereof as this defendant is advised it is material
or necessary for it to make answer unto, answering, says
as follows:

First. This defendant is not sufficiently informed as
to the matters and things alleged and set out in para-
graphs one and two of said Bill of Complaint to admit
the same as therein stated, and, therefore, formally denies
the same and leaves the complainant to make such proof
thereof as it may be advised.

Second: This defendant denies that it took possession of any part of the property described in paragraph three of plaintiff's Bill of Complaint, or that it drilled any wells thereon, but admits that it bought oil from said property, or a part thereof, under the terms and conditions hereinafter stated.

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Third. In answer to the four paragraph of plaintiff's Bill of Complaint, this defendant says that it is not sufficiently informed as to whether any of its co-defendants were in possession of the property on the day and dates therein alleged, and for that reason it is unable to admit the matters and facts therein stated; but it denies that it was in possession of said property, or any part thereof, or, at the time, claiming rights of any nature or character whatever in connection therewith.

Fourth. In answer to the fifth paragraph of plaintiff's Bill of Complaint this defendant admits that W. W. Green made a mineral location on said property, but is not sufficiently advised in the premises to say whether the location was legal or illegal, and, therefore, formally denies that said mineral location was illegal, and leaves the complainant to make such proof thereof as it may be advised; that it is not advised as to whether the locator made an effort to explore said land, but admits that he made a lease on said property to J. G. Johns, and that the said J. G. Johns transferred said lease to the Humphrey Oil Company, one of the defendants herein, and that the other transfers were made as therein alleged.

Further answering, this defendant admits that it has no title or interest in said property, and being without information as to the other matters of fact alleged in this paragraph of the Bill of Complaint is not in a situ-

ation to admit the same as therein stated, and it, therefore formally denies the same and leaves the complainant to make such proof thereof as it may be advised; but this defendant avers, however, that it is unable to state what quantity of oil was taken from said property, or from what wells said oil was taken, and the number of wells drilled on said property; that it took a part of the oil produced from said property which was run into its pipe lines as hereinafter stated.

Fifth. This defendant avers that on August 3, 1912, the Humphrey Oil and Gas Company, Franklin Oil and Fuel Company, and W. W. Green executed a division order or agreement, with this defendant, whereby and where-
 20 under they declared and certified and guaranteed to it that they were the lawful owners of wells No. 1 and up drilled on the property located by the said W. W. Green as aforesaid, which, as your defendant is advised, embraces a part of the property described in the Bill of Complaint, and that this defendant acquired oil from said parties in good faith, and for valuable considerations, taken from said property, but this defendant is without information as to the number of wells drilled on said property, or the amount of oil taken therefrom, and whether the same was located on the particular property, the ownership of which is now claimed by the complainant; that, thereafter, that is to say on December 17, 1912, the Humphrey Oil and Gas Company transferred its working interest in the well or wells on said property to H. L. Heilperin and E. G. Palmer; and, thereafter, that is to say on January 23, 1913, the said E. G. Palmer transferred his interest thus acquired to the Pure Oil Operating Company, and, on the same date, the said H. L. Heilperin likewise transferred his interest to the Pure

Oil Operating Company, and this defendant annexed hereto a copy of the contract under which said oil was taken and the various assignments, and makes the same a part hereof and marked "Defendant—Exhibit A."

Sixth: This defendant further answers that the oil so taken was acquired from said parties, at the market price thereof, on the respective dates on which the same was run into its pipe lines; that the total number of barrels of oil taken by this defendant from said parties amounts to 12,584.22 barrels, of the value of \$11,042.51; that of the amount due for said oil, \$10,352.41 has been paid to the respective claimants, as hereinafter set out, and this defendant now has in its hands \$690.10 to be paid to the rightful owner, or owners, when the question of title to said property, from which said oil was taken is finally determined; that of the amount so paid the Pure Oil Operating Company has received \$2,986.95; the Humprey Oil and Gas Company \$5,199.58; H. L. Heilperin \$737.90; Franklin Oil & Fuel Company \$690.03; and E. G. Palmer \$737.95. All of the oil so taken,
 21 as aforesaid, and the amounts paid and retained will be shown by itemized statement which will be produced on the hearing hereof.

Seventh. This defendant denies that it bought said oil in bad faith. On the contrary, it avers that it acquired the same in good faith, and run the same into its pipe lines from wells claimed to be owned by its co-defendants.

Eighth. Defendant further avers that it does not know and is not informed which one of the well or wells drilled on said property is or are on the land in controversy, but that said oil was bought by it from the supposed owners, as alleged in paragraph five of this answer, and that the

same was received by it and taken into its pipe lines, but not from any particular, separate, distinct or designated well, or wells, but that all of said oil was run and taken from wells drilled on said premises without reference to any particular or designated well or wells, and that it is unable to state with any degree of certainty the amount of oil taken from any or from each of the wells drilled on said property, and that prior to the taking of any of said oil it was advised by the alleged owners that the title thereto was vested in them, and that the oil so bought was acquired in good faith.

Ninth. Further answering, this defendant avers, in the alternative, that it acquired said oil from its co-defendants, who warranted the title to the property from which the same was taken, and that in the event their title to said property should be declared void, and this defendant held for the purchase price thereof, its co-defendants would constitute warrantors of the title thereto; and they being parties to said suit, should this defendant be declared liable to the said complainant, for the value thereof, then, and in that event, it should have a like judgment against its co-defendants and for such judgment as may be rendered against it in the premises; that such relief, in behalf of this defendant, would avoid a multiplicity of suits, and that in law and equity, should
 22 it be cast, it is entitled to a like judgment against each of them for such amounts as might be shown to have been paid to them.

Tenth. Further answering, this defendant avers that when some question was raised as to the ownership of said property it required of said co-defendants, and claimants of the oil so taken, bonds of indemnity to secure it

against any loss which might be occasioned by any successful claim urged against their said titles, and, to that end, some of said parties executed bonds to indemnify it against loss of any nature or character whatever occasioned by adverse claims of ownership to said property, or the oil taken therefrom; that in conformity with said requirements the said Humphrey Oil and Gas Company executed a bond, of date, December 21, 1912, with the United States Fidelity & Guaranty Company of Maryland, as surety, for \$6,000.00, a copy of which is annexed hereto and marked "Defendant—Exhibit B"; that the said Franklin Oil & Fuel Company executed a bond, of date August 16, 1913, with the National Surety Company, as surety, for \$1,000.00, a copy of which is annexed hereto and marked "Defendant—Exhibit C"; the said E. G. Palmer executed a bond, of date February 25, 1913, with the United States Fidelity & Guaranty Company of Maryland, as surety, for \$1,000.00, a copy of which is annexed hereto and marked "Defendant—Exhibit D"; the said H. L. Heilperin executed a bond, of date February 25, 1913, with the United States Fidelity & Guaranty Company of Maryland, as surety, for \$1,000.00; a copy of which is attached hereto and marked Ex. E. and the Pure Oil Operating Company executed a bond, of date December 18, 1913, with the American Surety Company of New York, as surety, for \$125,000.00 to indemnify defendant against loss on this and other properties, a copy of which is annexed hereto and marked "Defendant—Exhibit F"; that upon the execution of said bonds the said sum of \$11,352.41 was paid to its co-defendants on the faith thereof, said amount so paid being shown by itemized statement to be produced on the hearing hereof; and this defendant reserves the right, in the event it should be cast in this proceeding, to proceed against said sureties and princi-

- 23 pals to recover any loss it may sustain by reason of any judgment which may be obtained by the complainant against it.

Wherefore, this defendant having made full and complete answer to all the matters and things required of it in plaintiff's Bill of Complaint, prays to be hence dismissed with its reasonable costs and charges in this behalf most wrongfully sustained; and on filing hearing should this defendant be cast, that a decree be entered in its favor against its co-defendants for such judgment as may be rendered against it on the demands of the complainant; and, finally, this defendant prays for all general and equitable relief in the premises, and for all such as it may be entitled to from the evidence and facts adduced on the trial hereof, and for all other necessary orders and decrees as it may be entitled to in equity and good conscience, and from the nature and character of this case.

J. C. PUGH & SON,
Solicitors for the Standard Oil
Co. of La.

24 DEFENDANT—EXHIBIT "A."

Copy.

August 3rd, 1912.

To the Standard Oil Company of La.:

The undersigned certify and guarantee that they are the legal owners of Wells Nos. 1 and up on the Green Farm, Sec. 4-20-16, Township, Caddo Parish, State of Louisiana, including the royalty interest, and until further notice you will give credit for all oil received from said wells as per directions below:

Credit to	Division of Interest	Postoffice Address
Humphrey Oil & Gas Co.	7/8 W. I.	1214 Corn Exchange Bank Bldg., Chicago Ill.
Franklin Oil & Fuel Co.	1/16 R. I.	Colorado Bldg, Wash- ington, D. C.
W. W. Green	1/16 R. I.	Oil City, La.
Tank Nos.		

The Standard Oil Company of Louisiana is hereby authorized, until further notice, to receive oil from said wells for purchase from said parties severally in the proportions named, subject to the following conditions:

First. The oil run in pursuance of this division order shall become the property of the Standard Oil Company of Louisiana as soon as the same is received into its custody.

Second. The oil received in pursuance of this division order shall be paid for to the well owners, or their assigns, in proportion to their respective interests shown above, at the price quoted by the Standard Oil Company of Louisiana for the same kind and quality of oil, on the day of the receipt thereof.

Third. The Standard Oil Company of Louisiana shall deduct two per cent. from all oil received from wells into its custody, on account of dirt and sediment, and in addition, shall deduct one-twentieth of one per cent. for each degree of artificial heat above normal temperature to which said oil shall have been subjected and oil shall be steamed when necessary to render it merchantable.

Fourth. The undersigned agree, in case of any adverse claim of title, to furnish the Standard Oil Company of Louisiana satisfactory evidence of title, or in case of failure to do so, to furnish satisfactory indemnity, upon reasonable demand, against such adverse claim or claims, and that the said Standard Oil Company of Louisiana may retain the purchase price of the oil until we do so, or until the dispute as to ownership is settled.

HUMPHREY OIL & GAS CO.,

By JOHN CUDAHY, Prest.

W. W. GREEN.

FRANKLIN OIL & FUEL CO.,

By J. L. HARGRAVE, Prest.

Witness:

EVAN HUMPHREY,

DAN CARMODY,

J. E. BAKER,

C. H. THURMONDE,

C. W. HOLLAND, as to

N. S. FAUCETT F. O. & F. Co.

Approved:

J. C. PUGH.

Filed Oct. 1, 1917. W. B. Lee, Clerk, U. S. District Court, West. Dist. of Louisiana.

25

Copy.

Shreveport, La. 12/17/12.

To the Standard Oil Co. of La.:

The undersigned has this day sold all W. I. interest in Well No. 1 and up, on Green, et al. Farm, Sec. 4, Township 20, R. 16, Caddo Parish, State of Louisiana, as below:

Interest	Name	Postoffice Address.
1/2 W. I.	H. L. Heilperin	Shreveport, La.
1/2 W. I.	E. G. Palmer	Shreveport, La.

Covering all of the 7/8 W. I.
or all of our interest.

You will therefore give credit for oil received from said interest as above.

Tank Nos.

HUMPHREY OIL & GAS CO.,
By EVAN HUMPHREY,
Sec. Agent and Attorney.

Witness:

J. F. SLATTERY,
J. A. THIGPEN.

The undersigned hereby certify and agree that the legal owner of the well interest above transferred, and hereby authorize the Standard Oil Co. of La., until further notice, to receive for purchase oil therefrom pursuant to the above transfer.

The Standard Oil Co. of La., is hereby authorized, until further notice, to receive oil from said well interests for purchase from said parties severally in the proportions named, subject to the following conditions:

First. The oil run in pursuance of this order shall become the property of the Standard Oil Co. of La., as soon as the same is received into its custody.

Second. The oil received in pursuance of this division order shall be paid for to the well owners, or their as-

signs, in proportion to their respective interests as shown above, at the price quoted by the Standard Oil Co. of La. for the same kind and quality of oil, on the day of the receipt thereof.

Third. The Standard Oil Co. of La. shall deduct three per cent from all oil received from said well interests into its custody, on account of dirt and sediment, and in addition, shall deduct one-twentieth of one per cent. for each degree of artificial heat above normal temperature to which said oil shall have been subjected and oil shall be steamed when necessary to render it merchantable.

Fourth. The undersigned agree, in case of any adverse claim of title to furnish the Standard Oil Co. of La. satisfactory evidence of title, or in case of failure to do so, to furnish satisfactory indemnity, upon reasonable demand, against such adverse claim or claims, and that the said Standard Oil Co. of La. may retain the purchase price of the oil until we do so, or until the dispute as to ownership is settled.

E. G. PALMER,
H. L. HEILPERIN.

Witness:

J. F. SLATTERY,
J. A. THIGPEN.

Approved:

J. C. PUGH.

Filed Oct. 1, 1917, W. B. Lee, Clerk, U. S. District Court, West. Dist. of Louisiana.

Copy.

Shreveport, La., 1/23/13.

To the Standard Oil Co. of La.:

The undersigned has this day sold 11/32 W. I. interest in Well No. 1 on Green Farm, 4-20-16 Township, Caddo Parish, State of Louisiana, as below.

Interest	Name	Postoffice Address
11/32 W. I.	The Pure Oil Operating Co.,	Pittsburg, Pa.

You will therefore give credit for oil received from said interest as above.

E. G. PALMER.

Tank Nos. 769.

The undersigned hereby certify and agree that they are the legal owner of the well interest above transferred, and hereby authorize the Standard Oil Co. of La., until further notice, to receive for purchase oil therefrom pursuant to the above transfer.

The Standard Oil Co. of La., is hereby authorized, until further notice, to receive oil from said well interests for purchase from said parties severally in the proportions named, subject to the following conditions:

First. The oil run in pursuance of this order shall become the property of the Standard Oil Co. of La., as soon as the same is received into its custody.

Second. The oil received in pursuance of this division order shall be paid for to the well owners, or their assigns, in proportion to their respective interests shown

above, at the price quoted by the Standard Oil Co. of La. for the same kind and quality of oil, on the day of the receipt thereof.

Third. The Standard Oil Co. of La. shall deduct three per cent from all oil received from said well interests into its custody, on account of dirt and sediment, and in addition, shall deduct one-twentieth of one per cent. for each degree of artificial heat above normal temperature to which said oil shall have been subjected and oil shall be steamed when necessary to render it merchantable.

Fourth. The undersigned agree, in case of any adverse claim of title to furnish the Standard Oil Co. of La. satisfactory evidence of title, or in case of failure to do so, to furnish satisfactory indemnity, upon reasonable demand, against such adverse claim or claims, and that the said Standard Oil Co. of La. may retain the purchase price of the oil until we do so, or until the dispute as to ownership is settled.

THE PURE OIL OPERATING CO.,
By E. H. JENNINGS, Treas.

Witness:

W. J. HIGGINS.

Approved:

J. C. PUGH.

Filed Oct. 1, 1917, W. B. Lee, Clerk, U. S. District Court, West. Dist. of Louisiana.

Copy.

Shreveport, La., 1/23/13.

To the Standard Oil Co. of La.:

The undersigned has this day sold 11/32 W. I. interest in Well No. 1 and up on Green Farm, 4-20-16, Township, Caddo Parish, State of Louisiana, as below.

Interest	Name	Postoffice Address
11/32	The Pure Oil Operating Co.,	Pittsburg, Pa.

You will therefore give credit for oil received from said interest as above.

Tank Nos. 769.

H. L. HEILPERIN.

The undersigned hereby certify and agree that they are the legal owner of the well interest above transferred, and thereby authorize the Standard Oil Co. of La., until further notice, to receive for purchase oil therefrom pursuant to the above transfer.

The Standard Oil Co. of La., is hereby authorized, until further notice, to receive oil from said well interests for purchase from said parties severally in the proportions named, subject to the following conditions:

First. The oil run in pursuance of this order shall become the property of the Standard Oil Co. of La., as soon as the same is received into its custody.

Second. The oil received in pursuance of this division order shall be paid for to the well owners, or their assigns, in proportion to their respective interests as shown

above, at the price quoted by the Standard Oil Co. of La. for the same kind and quality of oil, on the day of the receipt thereof.

Third. The Standard Oil Co. of La. shall deduct three per cent from all oil received from said well interests into its custody, on account of dirt and sediment, and in addition, shall deduct one-twentieth of one per cent. for each degree of artificial heat above normal temperature to which said oil shall have been subjected and oil shall be steamed when necessary to render it merchantable.

Fourth. The undersigned agree, in case of any adverse claim of title to furnish the Standard Oil Co. of La. satisfactory evidence of title, or in case of failure to do so, to furnish satisfactory indemnity, upon reasonable demand, against such adverse claim or claims, and that the said Standard Oil Co. of La. may retain the purchase price of the oil until we do so, or until the dispute as to ownership is settled.

THE PURE OIL OPERATING CO.,
By E. H. JENNINGS, Treas.

Witness:

W. J. HIGGINS.

Approved:

J. C. PUGH.

Filed Oct. 1, 1917, W. B. Lee, Clerk, U. S. District Court, West. Dist. of Louisiana.

Copy.

August 3rd, 1912.

To the Standard Oil Company of La.:

The undersigned certify and guarantee that they are the legal owners of Wells No. 1 and up on the Green Farm, Sec. 4-20-16, Township, Caddo Parish, State of Louisiana, including the royalty interest, and until further notice you will give credit for all oil received from said wells as per directions below:

Credit to	Division of Interest	Postoffice Address
Humphrey Oil & Gas Co.	7/8 W. I.	1214 Corn Exchange Bank Bldg., Chicago Ill.
Franklin Oil & Fuel Co.	1/16 R. I.	Colorado Bldg, Washington, D. C.
W. W. Green	1/16 R. I.	Oil City, La.

Tank Nos.

The Standard Oil Company of Louisiana is hereby authorized, until further notice, to receive oil from said wells for purchase from said parties severally in the proportions named, subject to the following conditions:

First. The oil run in pursuance of this division order shall become the property of the Standard Oil Company of Louisiana as soon as the same is received into its custody.

Second. The oil received in pursuance of this division order shall be paid for to the well owners, or their assigns, in proportion to their respective interests shown

above, at the price quoted by the Standard Oil Company of Louisiana for the same kind and quality of oil, on the day of the receipt thereof.

Third. The Standard Oil Company of Louisiana shall deduct two per cent. from all oil received from wells into its custody, on account of dirt and sediment, and in addition, shall deduct one-twentieth of one per cent. for each degree of artificial heat above normal temperature to which said oil shall have been subjected and oil shall be steamed when necessary to render it merchantable.

Fourth. The undersigned agree, in case of any adverse claim of title, to furnish the Standard Oil Company of Louisiana satisfactory evidence of title, or in case of failure to do so, to furnish satisfactory indemnity, upon reasonable demand, against such adverse claim or claims, and that the said Standard Oil Company of Louisiana may retain the purchase price of the oil until we do so, or until the dispute as to ownership is settled.

HUMPHREY OIL & GAS CO.,

By JOHN CUDAHY, Prest.

W. W. GREEN.

FRANKLIN OIL & FUEL CO.,

By J. L. HARGRAVE, Prest.

Witness:

EVAN HUMPHREY,

DAN CARMODY,

J. E. BAKER,

C. H. THURMONDE,

C. W. HOLLAND, as to

N. S. FAUCETT F. O. & F. Co.

Approved:

J. C. PUGH.

39

29

Shreveport, La. 12/17/12.

To the Standard Oil Co. of La.:

The undersigned has this day sold all W. I. interest in Wells No. 1 and up, on Green, et al., Farm, Sec. 4, Township 20 R. 16 Caddo Parish, State of Louisiana as below.

Interest.	Name	Postoffice Address.
1/2 W. I.	H. L. Heilperin	Shreveport, La.
1/2 W. I.	E. G. Palmer	Shreveport La.

Covering all of the 7/8 W. I. or all of our interest.

You will therefore give credit for oil received from said interest as above.

HUMPHREY OIL & GAS CO.,
By EVAN HUMPHREY,
Sec. Agent and Attorney.

Witness:

J. F. SLATTERY,
J. A. THIGPEN.

Tank Nos.

The undersigned hereby certify and agree that the legal owner of the well interest above transferred, and hereby authorize the Standard Oil Co. of La., until further notice, to receive for purchase oil therefrom pursuant to the above transfer.

The Standard Oil Co. of La. is hereby authorized, until further notice, to receive oil from said well interests for purchase from said parties severally in the proportions named, subject to the following conditions:

First. The oil run in pursuance of this order shall become the property of the Standard Oil Co. of La. as soon as the same is received into its custody.

Second. The oil received in pursuance to this division order shall be paid for to the well owners, or their assigns, in proportion to their respective interests shown above, at the price quoted by the Standard Oil Co. of La. for the same kind and quality of oil, on the day of the receipt thereof.

Third. The Standard Oil Co. of La. shall deduct three per cent from all oil received from said well interests into its custody, on account of dirt and sediment, and in addition, shall deduct one-twentieth of one per cent. for each degree of artificial heat above normal temperature to which said oil shall have been subjected and oil shall be steamed when necessary to render it merchantable.

Fourth. The undersigned agree, in case of any adverse claim of title, to furnish the Standard Oil Co. of La. satisfactory evidence of title, or in case of failure to do so, to furnish satisfactory indemnity, upon reasonable demand, against such adverse claim or claims, and that the said Standard Oil Co. of La. may retain the purchase price of the oil until we do so, or until the dispute as to ownership is settled.

E. G. PALMER,
H. L. HEILPERIN.

Witness:

J. F. SLATTERY,
J. A. THIGPEN.

Approved:

J. C. PUGH.

30

Shreveport, La., 1/23/13

To the Standard Oil Co. of La.:

The undersigned has this day sold 11/32 W. T. interest in Wells No. 1 and up, on Green Farm, 4-20-16 Township Caddo Parish, State of Louisiana as below.

Interest.	Name	Postoffice Address.
11/32	The Pure Oil Operating Co.	Pittsburg, Pa.

You will therefore give credit for oil received from said interest as above.

H. L. HEILPERIN.

Tank Nos. 769.

The undersigned hereby certify and agree that they are the legal owner of the well interest above transferred, and hereby authorize the Standard Oil Co. of La., until further notice, to receive for purchase oil therefrom pursuant to the above transfer.

The Standard Oil Co. of La. is hereby authorized, until further notice, to receive oil from said well interests for purchase from said parties severally in the proportions named, subject to the following conditions:

First. The oil run in pursuance of this order shall become the property of the Standard Oil Co. of La. as soon as the same is received into its custody.

Second. The oil received in pursuance to this division order shall be paid for to the well owners, or their assigns, in proportion to their respective interests shown above, at the price quoted by the Standard Oil Co. of La. for the same kind and quality of oil, on the day of the receipt thereof.

Third. The Standard Oil Co. of La. shall deduct three per cent from all oil received from said well interests into its custody, on account of dirt and sediment, and in addition, shall deduct one-twentieth of one per cent. for each degree of artificial heat above normal temperature to which said oil shall have been subjected and oil shall be steamed when necessary to render it merchantable.

Fourth. The undersigned agree, in case of any adverse claim of title, to furnish the Standard Oil Co. of La. satisfactory evidence of title, or in case of failure to do so, to furnish satisfactory indemnity, upon reasonable demand, against such adverse claim or claims, and that the said Standard Oil Co. of La. may retain the purchase price of the oil until we do so, or until the dispute as to ownership is settled.

THE PURE OIL OPERATING CO.,
By E. H. JENNINGS, Treas.

Witness:

W. J. HIGGINS.

Approved:

J. S. PUGH.

31

Shreveport, La., 1/23/13.

To the Standard Oil Co. of La.:

The undersigned has this day sold 11/32 W. I. interest in Wells No. 1 and up, on Green Farm, 4-20-16 Township Caddo Parish, State of Louisiana, as below.

Interest.	Name	Postoffice Address.
11/32 W. I.	The Pure Oil Operating Co.	Pittsburg, Pa.

You will therefore give credit for oil received from said interest as above.

E. G. PALMER.

Tank Nos. 769.

The undersigned hereby certify and agree that they are the legal owner of the well interest above transferred, and hereby authorize the Standard Oil Co. of La., until further notice, to receive for purchase oil therefrom pursuant to the above transfer.

The Standard Oil Co. of La. is hereby authorized, until further notice, to receive oil from said well interests for purchase from said parties severally in the proportions named, subject to the following conditions:

First. The oil run in pursuance of this order shall become the property of the Standard Oil Co. of La. as soon as the same is received into its custody.

Second. The oil received in pursuance to this division order shall be paid for to the well owners, or their assigns, in proportion to their respective interests shown above, at the price quoted by the Standard Oil Co. of La. for the same kind and quality of oil, on the day of the receipt thereof.

Third. The Standard Oil Co. of La. shall deduct three per cent from all oil received from said well interests into its custody, on account of dirt and sediment, and in addition, shall deduct one-twentieth of one per cent. for each degree of artificial heat above normal temperature to which said oil shall have been subjected and oil shall be steamed when necessary to render it merchantable.

Fourth. The undersigned agree, in case of any adverse claim of title, to furnish the Standard Oil Co. of La. satisfactory evidence of title, or in case of failure to do so, to furnish satisfactory indemnity, upon reasonable demand, against such adverse claim or claims, and that the

said Standard Oil Co. of La. may retain the purchase price of the oil until we do so, or until the dispute as to ownership is settled.

THE PURE OIL OPERATING CO.,
By E. H. JENNINGS, Treas.

Witness:

W. J. HIGGINS.

Approved:

J. C. PUGH.

32

DEFENDANT EX. "B."

State of Louisiana,

Parish of Caddo.

Know all men by these presents:

That we, Humphrey Oil & Gas Company, as principal, and United States Fidelity & Guaranty Company, as surety, are held and firmly bound unto the Standard Oil Company of Louisiana, in the full sum of Six thousand (\$6,000.00) dollars, for payment of which, well and truly to be made, we bind ourselves, our heirs and legal representatives firmly and in solido by these presents.

Dated at Shreveport, La., this 21st day of December, 1912.

The condition of the above obligation is such that, whereas, the above bounden Humphrey Oil & Gas Company has sold to the Standard Oil Company, of Louisiana, oil from a well located on lands in the southeast corner (SE) corner of Section 4, Township 20, Range 16, and fully described as the mineral location of W. W. Green, as recorded in Book 59 of Conveyances, page 431, and whereas the said Standard Oil Co. of Louisiana has taken oil from said well to the extent of Five Thousand One Hundred

and Ninety-nine Dollars and fifty-eight cents (\$5199.58), and the Humphrey Oil & Gas Company desires to withdraw said amount now in the hands of the said Standard Oil Co. of Louisiana; and, whereas, some question has been raised as to the validity of the title of the Humphrey Oil & Gas Company to the oil taken from said well, and, under the obligation entered into by and between said parties, under which said oil was purchased, the said Standard Oil Co., of Louisiana, having the right to demand security in the event the title of the Humphrey Oil & Gas Company should be brought into question.

Now, therefore, if the said Humphrey Oil & Gas Company shall well and truly pay and satisfy any claim made by adverse parties to the ownership of the oil taken from the well on said land, or any damages which the Standard Oil Company of Louisiana may sustain by reason of any adverse claim to the oil taken from said well, and hold the said Standard Oil Co. of Louisiana harmless from damage of any nature or character whatever by reason of its purchase of oil from the said Humphrey Oil & Gas Company, then this obligation to be null and void, otherwise to remain in full force and effect.

UNITED STATES FIDELITY &
GUARANTY CO.,

By (Signed) WM. M. FORD,

(Seal)

Attorney in Fact.

HUMPHREY OIL & GAS COMPANY,

By (Signed) JOHN CUDAHY,

President.

Attest:

Signed

EVANS HUMPHREY.

Approved:

Seal

J. C. PUGH.

Copy

33 Know all men by these presents, that we, Franklin Oil and Fuel Company, as principal, and National Surety Company, as surety, are held and firmly bound unto the Standard Oil Company of Louisiana, in the penal sum of One Thousand (\$1,000.00) Dollars, which said sum we bind ourselves, our successors and assigns, jointly and severally by these presents to pay.

Now the condition of the above obligation is such that:

Whereas, the above bounden Franklin Oil and Fuel Company claim a one-sixteenth (1/16) royalty from oil taken from wells on a tract of land in Section 4, Township 20, Range 16, situated in Caddo Parish, Louisiana, and on which wells have been drilled producing oil; and,

Whereas, the oil from said well is being run by the Standard Oil Company of Louisiana, and the above bounden Franklin Oil and Fuel Company claims to be the owner of an undivided one-sixteenth (1/16) interest of the oil taken from said well, as royalty, as per division order heretofore signed; and,

Whereas, there are adverse claims to the ownership of said property; and

Whereas, by the contract under which the Standard Oil Company of Louisiana is taking said oil from said well, as aforesaid, the said Franklin Oil and Fuel Company has the right to withdraw its part of the proceeds from said oil run from said well by executing bond with approved security:

Now, therefore, if the said bounden Franklin Oil and Fuel Company shall hold the said Standard Oil Company of Louisiana harmless against all claims which may be asserted by any adverse claimants whatever, to said property of the oil produced therefrom, to the extent of such amount as the said Standard Oil Company of Louisiana shall pay to the said Franklin Oil and Fuel Company, (not to exceed, however, the penal sum of One Thousand (\$1,000) Dollars, named in this Bond), together with all interest, damages and costs, then, in such event, this obligation shall be null and void; otherwise to remain in full force and effect.

Sealed with our seals, and dated this 16th day of August, A. D. 1913.

FRANKLIN OIL AND FUEL
COMPANY,

By (Signed) JOHN S. HARGROVE, President.

NATIONAL SURETY COMPANY,

By (Signed) WM. H. ROSAVILLE,

Attorney in fact. Seal.

Witness:

N. S. FAULK, as to

Witness: both

F. M. STRAWN.

Approved:

(Seal)

J. C. PUGH.

Copy.

Defendant Ex. C.

34 State of Louisiana,
 Parish of Caddo.

Know all men by these presents: that we, E. G. Palmer, as principal, and the United States Fidelity & Guaranty Company, of Maryland, as surety, are held and firmly bound unto the Standard Oil Company of Louisiana, in the sum of One Thousand (\$1,000.00) Dollars, which said sum we bind ourselves jointly and severally, our heirs, executors and administrators, by these presents to pay.

Dated, at Shreveport, La., this 25th day of February, A. D. 1913.

Now the condition of the above obligation is such that:

Whereas the above bounden E. G. Palmer claims to be the owner of an undivided five-thirty-second (5/32) interest in and to what is known as the Green Well in Section 4, Township 20, Range 16, Caddo Parish, Louisiana; and,

Whereas the oil from said well is being run by the Standard Oil Company of Louisiana, and the above bounden E. G. Palmer claims to be entitled to five-thirty-seconds (5/32) of the proceeds of such oil as has been run by and delivered to the Standard Oil Company of Louisiana; and,

Whereas there are adverse claims to the ownership of said property; and,

Whereas by the contract, under which the Standard Oil Company of Louisiana is taking said oil from said

well, as aforesaid, the said E. G. Palmer has the right to withdraw his part of the proceeds from said oil run from said well by executing bond with approved security.

Now, therefore, if the said above bounden E. G. Palmer shall hold the Standard Oil Company of Louisiana harmless against all claims which may be asserted by any adverse claimants, or by any corporation or any person whatever, to the extent of such amount as the said Standard Oil Company of Louisiana shall pay to the said E. G. Palmer, under his claim as owner of an undivided five-thirty-second ($5/32$) interest in said oil, and the proceeds thereof, then and in such event this obligation shall be null and void; otherwise to remain in full force and effect.

(Signed) E. G. PALMER,
UNITED STATES FIDELITY &
GUARANTY CO.,

By (Signed) WM. M. FORD,
Its Attorney in Fact. Seal.

Approved:

Signed J. C. PUGH.

Copy.

Defendant Ex. D.

35 State of Louisiana,
Parish of Caddo.

Know all men by these presents: that we, H. L. Heilparin, as principal, and The United States Fidelity & Guaranty Company of Maryland, as surety, are held and firmly bound unto the Standard Oil Company of Louisi-

ana, in the sum of One Thousand (\$1,000) Dollars, which said sum we bind ourselves jointly and severally, our heirs, executors and administrators, by these presents to pay.

Dated at Shreveport, La., this 25th day of February, A. D. 1913.

Now the condition of the above obligation is such that:

Whereas, the above bounden H. L. Heilperin claims to be the owner of an undivided five-thirty-seconds ($5/32$) interest in and to what is known as the Green well in section 4, Township 20, Range 16, Caddo Parish, Louisiana; and,

Whereas the oil from said well is being run by the Standard Oil Company of Louisiana, and the above bounden H. L. Heilperin claims to be entitled to five-thirty-seconds ($5/32$) of the proceeds of such oil as has been run by and delivered to the Standard Oil Company of Louisiana; and

Whereas there are adverse claims to the ownership of said property; and

Whereas by the contract, under which the Standard Oil Company of Louisiana is taking said oil from said well, as aforesaid, the said H. L. Heilperin has the right to withdraw his part of the proceeds from said oil run from said well by executing bond with approved security;

Now, therefore, if the said above bounden H. L. Heilperin shall hold the Standard Oil Company of Louisiana harmless against all claims which may be asserted by any adverse claimants, or by any corporation or any person whatever, to the extent of such amount as the said Standard Oil Company of Louisiana shall pay to the said H.

L. Heilperin, under his said claim as owner of an undivided five-thirty-seconds (5/32) interest in said oil, and the proceeds thereof, then and in such event this obligation shall be null and void; otherwise to remain in full force and effect.

(Signed) H. L. HEILPERIN,
UNITED STATES FIDELITY &
GUARANTY CO.,

By (Signed) WM. M. FORD,
Its Attorney-in-fact. Seal.

Approved:

(Signed) J. C. PUGH.

Defendant Ex. E.

Copy.

36

(DEFENDANT'S EX. F.)

(Copy).

State of Louisiana,
Parish of Caddo, ss:

Know all men by these presents, that we, The Pure Oil Operating Company, as Principal, and the American Surety Company of New York, as surety, are held and firmly bound unto and in favor of the Standard Oil Company of Louisiana in the full sum of One Hundred Twenty-Five Thousand Dollars, for the payment of which we bind ourselves, our successors and legal representatives, firmly and in solido by these presents.

Dated at Shreveport, Louisiana, this 18th day of December, in the year of Our Lord one thousand nine hundred and thirteen.

The condition of the above obligation is such that:

Whereas, the said The Pure Oil Operating Company as the lessee of L. Hanszen, et al., has drilled a number of wells upon a certain tract of land in the Parish of Caddo, State of Louisiana, in Sections Three and Four, Township Twenty, North, Range Sixteen West, being the same tract of land located under Placer Mining Laws by the lessors on April 2, 1910, as appears from the said location recorded in the Conveyance Records of Caddo Parish, Louisiana; and

Whereas, the said property is claimed by the Producers Oil Company, which Company has instituted suit to recover the said property, and which said suit is now pending in the Supreme Court of the United States on a writ of error sued out by the Producers Oil Company to the Supreme Court of Louisiana which latter Court has sustained the right of the lessors of the said The Pure Oil Operating Company; and,

Whereas, patent has not yet been obtained under the said mining location; and,

Whereas, the said The Pure Oil Operating Company as lessee of L. Hanszen, and W. H. Matthews has drilled a number of oil wells upon a certain tract of land in the

37 Parish of Caddo, State of Louisiana, in Section Ten, Township Twenty, North, Range Sixteen West, and being more particularly described as follows: Beginning at a point twenty-four chains east of the northwest corner of said section ten; thence south twenty degrees west ten chains; thence south forty-three degrees east twenty chains to a stake at traverse corner, which is the beginning of the tract so leased and herein located; thence south sixty degrees west eight and five-

tenths chains; thence south five chains; thence south forty-five degrees east ten chains; thence south forty degrees west one and sixty-two hundredths chains; thence west thirty-four and fifty-six one-hundredths chains to stake on traverse line; thence north thirty degrees east thirteen and eight one-hundredths chains along traverse line; thence north seventy-eight degrees east along traverse line thirty chains, more or less, to the place of beginning, containing thirty-seven and fifty-eight one-hundredths acres, more or less, a stake being set at each corner of said tract, and being the same land surveyed out and the lines and corners marked by the Lessors on April 24, 1910, under their file and claim under the Placer Mining Laws of the United States as appears from the said location recorded in the Conveyance Records of Caddo Parish, Louisiana; and,

Whereas, patent has not yet been obtained under the said mining location; and,

Whereas, the said The Pure Oil Operating Company is operating a well upon a certain tract of land in the Parish of Caddo, State of Louisiana, in Sections Three and Four, Township Twenty, Range Sixteen, being a long narrow strip of land running along the south line of said sections and known as the "Green Mineral File"; and,

Whereas, the said Standard Oil Company of Louisiana, the obligee herein, has purchased a large part of the oil produced by the said The Pure Oil Operating Company from the said three pieces of land above described, and is now running further and additional oil from the said
 38 three pieces of land under purchase from the
 said The Pure Oil Operating Company:

Now, therefore, if the said The Pure Oil Operating Company shall fully indemnify and hold harmless the said Standard Oil Company of Louisiana from any liability to the Producers Oil Company, and to the United States of America, and to all the every other person, firm, association or corporation whatsoever by reason of or on account of its purchasing and handling said oil, then this obligation to be void, otherwise to be remain in full force and virtue.

It is understood and agreed, however, that this bond is not intended to cover any oil run from the said Green Mineral File to the credit of and purchase from other and third persons claiming to be interested therein, but only to cover and embrace the oil run therefrom to the credit of and purchase from the said The Pure Oil Operating Company.

**THE PURE OIL OPERATING
COMPANY,**

By (Signed)

T. W. PHILLIPYS,

Its President.

Attest:

(Signed)

W. J. HIGGINS,

(Seal)

Its Secretary.

**AMERICAN SURETY COMPANY
OF NEW YORK,**

By (Signed)

LEON R. SMITH,

(Seal)

Resident Vice-President.

Signed, sealed and delivered by the Pure Oil Operating Company in our presence.

(Signed)

W. B. CARLON,

(Signed)

C. C. HERZOG.

Signed, sealed and delivered by the American Surety Company of New York in our presence.

(Signed) J. E. JOHNSTON, JR.,

(Signed) GEO. G. DIMICK.

Approved:

J. C. PUGH.

Filed Oct. 1, 1917.

39 Indorsed: Answer of Standard Oil Co. of La., to Bill of Complaint. Filed Oct. 1, 1917.

40 In the District Court of the United States for the Western District of Louisiana, Shreveport Division.

United States of America, Plaintiff,

vs. No. 1154 In Equity.

W. W. Green, E. G. Palmer, Mrs. Fannie B. Heilperin, Tutrix of Natalie Heilperin, John L. Hargrove, Franklin Oil & Fuel Company, Humphrey Oil Company, Pure Oil Operating Company, Standard Oil Company of Louisiana, Defendants.

I.

Now into this Honorable Court comes the United States of America, plaintiff in the above numbered and entitled cause, appearing herein and represented by its Solicitor, Robert A. Hunter, Special Assistant to the Attorney General, and for reply to the set off and counter claim asserted by the Pure Oil Operating Company in its answer filed in the above numbered and entitled cause, shows:

II.

That plaintiff renews and reaffirms the allegations and prayer of the original bill of complaint filed herein.

III.

Plaintiff denies all the allegations of the said answer relating to said set off and counterclaim, and, particularly, paragraph 9, and the prayer of said answer.

IV.

Plaintiff shows that the said defendant is not entitled to any set off, or counterclaim, whatsoever in the premises.

V.

Further replying, plaintiff avers that the said defendant entered upon the land described in the bill of complaint, and extracted and removed oil and gas therefrom, as alleged in the bill of complaint, in bad faith, and said defendant was a wilful and knowing trespasser upon said land.

VI.

Plaintiff shows that the defendant has not asserted any particular amount as an offset or counterclaim
41 and plaintiff reserves the right to make further reply in event defendant should hereafter claim any specific sum in the premises.

VII.

Wherefore, plaintiff prays that the set off and counterclaim asserted by the defendant be denied and disal-

lowed, and that plaintiff have relief in the premises as prayed for in the bill of complaint.

ROBERT A. HUNTER,

Special Assistant to the Attorney General.

Indorsed:—Plaintiff's Reply to Defendant's (Pure Oil Operating Company) Set off and Counterclaim. Filed Oct. 5, 1917.

42 In the District Court of the United States, for
the Western District of Louisiana, Shreve-
port Division.

United States of America, Plaintiff,

vs. No. 1154 In Equity.

W. W. Green, E. G. Palmer, Mrs. Fannie B. Heilperin,
Tutrix, John L. Hargrove, Franklin Oil and Fuel
Company, Humphrey Oil Company, Pure Oil Oper-
ating Company, Standard Oil Company of Louisiana,
Defendants.

And now comes the defendant, Pure Oil Operating Company, in the above entitled and numbered cause, and moves the Court for leave to amend its answer, as will appear in the amended answer herewith filed. That said amendments are material and necessary to a proper defense of the case; that the matter as amended and the amendments offered were not incorporated in the original answer because of the fact that counsel for defendant had not at the time within which the answer was due accurate knowledge of the facts stated in the amendments.

Wherefore, it prays that said amendments be allowed and considered a part of the answer upon the hearing of this cause.

THIGPEN & HEROLD,
BARNETTE & BLANCHARD,
Attorneys for Defendant.

43 In the District Court of the United States, for
the Western District of Louisiana, Shreve-
port Division.

United States of America, Plaintiff,

vs. No. 1154 In Equity.

W. W. Green, E. G. Palmer, Mrs. Fannie B. Heilperin,
Tutrix, John L. Hargrove, Franklin Oil & Fuel Com-
pany, Humphrey Oil Company, Pure Oil Operating
Company, Standard Oil Company of Louisiana, De-
fendants.

This cause coming on to be heard on the motion of defendant, Pure Oil Operating Company to amend its answer, and both parties having appeared, and the Court being fully advised of the amendments sought to be made to the answer of defendant heretofore filed in this cause, it is hereby ordered, adjudged and decreed that the motion be granted and that the amendments as set forth in the motion be allowed; and the Clerk of the Court is hereby ordered, to file the same as of the date of this order, as amendments to the original answer.

Thus done, and signed at Chambers, at Shreveport, Louisiana, on this the 31 day of October, 1917.

GEO. WHITFIELD JACK,
United States District Judge.

- 44 In the District Court of the United States for the Western District of Louisiana, Shreveport Division.

United States of America, Plaintiff,

vs.

No. 1154 In Equity.

W. W. Green, E. G. Palmer, Mrs. Fannie B. Heilperin, Tutrix, John L. Hargrove, Franklin Oil & Fuel Company, Humphrey Oil Company, Pure Oil Operating Company, Standard Oil Company of Louisiana, Defendants.

Amended answer of the Pure Oil Operating Company, defendant in the above entitled and numbered cause.

Now comes the said defendant, and, with leave of this Court first had and obtained, files this amendment to the answer heretofore filed, as follows:

Defendant amends Article IX of its original answer so as to read as follows:

IX.

Defendant shows that it took possession of the said property in good faith under said lease from Miss Lydia Hanszen and others, whom it believed and had the right to believe lawfully entitled to possession thereof and to the minerals therein contained, with the full and exclusive right to drill upon and operate said property for the production of oil, gas and other minerals; and that it secured the possession of the said well and operated the same under such belief of right.

And defendant shows that in the event the Court should hold that the plaintiff is the owner of said land, then this

defendant is entitled to be reimbursed the entire cost of operating the said well before it can be held liable, if any liability there be, for the value of any oil extracted therefrom; and that the actual cost to this defendant of operating the said well, up to the time of its abandonment in June, 1915, amounted to the sum of Twenty-six Hundred and Ninety-seven and 80/100 (\$2,697.80) Dollars.

Wherefore, reaffirming the allegations and prayer of its original answer, filed herein, defendant prays for judgment as originally prayed for.

THIGPEN & HEROLD,
BARNETTE & BLANCHARD,
Attorneys for Defendant.

45 Indorsed:—Amended Answer. Filed Oct. 31,
1917.

R.

46 In the District Court of the United States, for
the Western District of Louisiana, Shreve-
port Division.

United States of America, Plaintiff,

vs.

No. 1154 In Equity.

W. W. Green, E. G. Palmer, Mrs. Fannie B. Heilperin,
Tutrix of Natalie Heilperin, John L. Hargrove, Frank-
lin Oil & Fuel Company, Humphrey Oil Company,
Pure Oil Operating Company, Standard Oil Company,
Defendants.

I.

Now into this Honorable Court comes the United States
of America, plaintiff in the above numbered and entitled

cause, appearing herein and represented by its Solicitor, Robert A. Hunter, Special Assistant to the Attorney General, and for reply to set off and counterclaim asserted by defendant, the Pure Oil Operating Company, in its amended answer herein, shows:

II.

That plaintiff renews and reaffirms the allegations and prayer of the original bill of complained filed herein.

III.

Plaintiff denies all the allegations of the said amended answer relating to said set off and counterclaim, and particularly, paragraph 9, and the prayer of said amended answer.

IV.

Plaintiff shows that the said defendant is not entitled to any set off or counterclaim, whatsoever in the premises.

V.

Further replying, plaintiff avers that the said defendant entered upon the land described in the bill of complaint, and extracted and removed oil and gas therefrom, as alleged in the bill of complaint, in bad faith, and said defendant was a wilful and knowing trespasser upon said land.

VI.

Plaintiff further shows, in the alternative, that even if the said defendant is entitled to a set off, or counterclaim, in any amount, which is denied, the sum claimed by the defendant is excessive and should not be allowed.

VIII.

Wherefore, plaintiff prays that the set off and counter-claim asserted by the defendant be denied and disallowed, and that plaintiff have relief in the premises as prayed for in the bill of complaint.

ROBERT A. HUNTER,
Special Assistant to the Attor-
ney General.

Indorsed:—Plaintiff's Reply to Set Off and Counter Claim of Defendant (Pure Oil Operating Company), in its Amended Answer. Filed Nov. 5, 1917.

48 In the District Court of the United States for
the Western District of Louisiana.

United States of America, Complainant,
vs. No. 1154, In Equity.
W. W. Green, et al., Defendant.

In the above entitled matter now comes the Standard Oil Company of Louisiana, one of the defendants herein, through its undersigned counsel, and suggesting to the Court that the Court that the plaintiff had propounded to it interrogatories in writing for discovery as provided by Equity Rule 58, among which are interrogatories Nos. 23 and 24, as follows:

Interrogatory No. 23: State the total value, either exactly, if you know, or approximately, if you do not know exactly, of the products manufactured by the Standard Oil Company of Louisiana from the oil extracted from the land in controversy.

Interrogatory No. 24: State the total profits made by you (a) from the sale of any or all of the crude oil extracted from the land in controversy, and (b) the profits made by you from the manufacture and sale of the products of said crude oil.

Now this defendant avers that it will fully appear by the petition and answer herein that the only issuable facts between the plaintiff and this defendant is the value of the oil bought by it from the property in dispute, the ownership of which is claimed by the plaintiff; that from the issues so made up, the answers to these two interrogatories could in no way tend to support the demands of the plaintiff against this defendant, and are, therefore, irrelevant, and immaterial to any issues involved in said cause as between the plaintiff and this defendant and an answer thereto would not illicit any fact or facts material to the support of plaintiff's action, and that said interrogatories should be stricken out.

49 Wherefore, this defendant prays that after due consideration said two interrogatories be stricken out and that this defendant be dispensed with the necessity of answering the same.

It prays for all rules, orders and decrees needful, and for cost and general relief.

J. C. PUGH & SON,
Attys. for Standard Oil Co.
of La.

Indorsed:—Motion of Standard Oil Co. of La., to Strike Out Interrogatories Nos 23 and 24. Filed Feb. 6, 1918.

50 (INTERROGATORIES PROPOUNDED BY
PLAINTIFF TO PURE OIL OPERATING
CO., JOHN L. HARGROVE, MRS. FAN-
NIE B. HEILPERIN AND E. G. PAL-
MER).

Interrogatories Propounded by Plaintiff.

(1).

State who drilled the well known as Green No. 1 on the land in controversy in this case, and also state under what claim of title or authority said well was drilled.

(2).

State when the said well was commenced, when it was completed, and how long and by whom same was operated.

(3).

Did said well produce oil, and was said oil or the proceeds of the sale thereof, converted to the use and benefit of the defendants in this cause?

(4).

During what period was said well operated in the production of oil, and when if at all, did it cease to produce oil?

(5).

Is it not a fact that the said well was drilled by the Humphrey Oil Company, or Humphrey Oil & Gas Company, on the property in controversy, and was not said well operated for a time in the production of oil by said Company, and later by E. G. Palmer and H. L. Heilperin,

as assignees of said Company, and did not the said Palmer and Heilperin transfer their interests therein to the Pure Oil Operating Company? If your answer is in the affirmative, state when said well was operated by the Companies and persons above named.

(6).

In paragraph five of the answer of E. G. Palmer and Mrs. Fannie B. Heilperin herein, reference is made to an agreement entered into between H. L. Heilperin and E. G. Palmer on the one part and the Pure Oil Operating Company of the other part, on January 16, 1914. Please attach to your answer to this interrogatory a copy of said agreement.

(7).

In paragraph five of the answer of the Pure Oil Operating Oil Company herein, it is stated that a well was drilled on the tract of land involved in this suit by one who is styled in your answer as a pretended lessee of W. W.

51 Green, which lessee on the 17th of December 1912, sold to E. G. Palmer and H. L. Heilperin, all of its right, title and interest in said tract of land and in said well, the said Heilperin and Palmer surrendering possession thereof to you under an agreement of date January 16, 1913. Please attach to your answer to these interrogatories, copies of the agreements referred in your answer to the bill of complaint.

(8).

State the total production of oil from the said well (a) up to July 31, 1917, and (b) from July 31, 1917, to January 1, 1918.

(9).

State whether or not the said well was operated in the production of oil as an entity, or in connection with other wells on the same or different tracts of land.

(10).

Was a separate and complete record kept by the Pure Oil Operating Company of the oil produced by said well? If so, state how, and in what manner said record was kept.

(11).

If the production as given by you in your answer to the bill of complaint and in your answers to the preceding interrogatories is based upon an estimate of the quantity of oil produced by well in suit, in connection with other wells not in suit, or if you have stated that said production is estimative and not exact, then state (a) the total production of all wells operated in conjunction with the well in suit, naming and giving the location of such other wells, and (b) the manner in which you arrived at, or figured the production of the well in suit.

(12).

State the total market value of the oil produced by the Humphrey Oil Company, E. G. Palmer, H. L. Heilperin and the Pure Oil Operating Company from the land in controversy, and say whether or not the value as given by you in your answer is exact or approximate and furthermore, state upon what the value as given is based.

(13).

State to what person or company the production of the well in suit was sold during the time the same was operated. Is it not a fact that the entire production of the well in suit was sold by the Humphrey Oil Company, E. G. Palmer, H. L. Heilperin and the Pure Oil Operating Company to the Standard Oil Company of Louisiana.

(14).

State the quantity of the oil extracted from the land in controversy which was sold by the producers thereof to the Standard Oil Company of Louisiana.

(15).

What was the total price received by the Humphrey Oil Company for all the oil produced by the well in controversy. Please state separately the price received by E. G. Palmer, and H. L. Heilperin, and the price received by the Pure Oil Operating Company from the Standard Oil Company of Louisiana.

(16).

Was not the said oil sold by the Humphrey Oil Company, E. G. Palmer, H. L. Heilperin and the Pure Oil Operating Company to the Standard Oil Company of Louisiana on the land where it was produced, that is, on the property in controversy, by transfer from a tank, or tanks, in which the oil was stored, to a pipe line belonging to the Standard Oil Company of Louisiana, and was not the said oil taken away and removed from the land in controversy by the said Standard Oil Company of Louisiana?

(17).

What was the quantity and value of the oil taken away and removed from the property in controversy by the Standard Oil Company of Louisiana?

(18).

Is it not a fact that an agent, representative, or employee of the Standard Oil Company of Louisiana, went upon the land in controversy at the time of any pipe line run, or runs, for the purpose of gauging the quantity of oil transferred from the tank, or tanks, to the pipe line of said Standard Oil Company of Louisiana, and
53 did not said gauger measure, or ascertain, the amount of oil run from said tank or tanks to said pipe line? If the amount of oil purchased by the Standard Oil Company of Louisiana from the Pure Oil Operating Company out of the production of the land in controversy was not ascertained by the gauger, in the manner above indicated, then state how the quantity of oil so purchased was measured or ascertained.

(19).

In the answer of the Standard Oil Company of Louisiana to the bill of complaint herein, it is stated that 12,584.22 barrels of oil of the value of \$11,042.57 was taken by it from the parties in this case, but that the Standard Oil Company of Louisiana does not know from which well the said oil was taken. Is it not a fact that the oil referred to in said answer was taken from the property in controversy in this cause? If you state in your answer to this question that the said oil was taken from the well in suit, and other wells not in suit, then state the names

and location of the wells not in controversy from which any of said oil was taken, and state how much oil was taken from the well involved in this suit.

(20).

In the answer of the Standard Oil Company of Louisiana to the bill of complaint it is stated that the sum of \$10,352.41 has been paid to the claimants of said oil, and that \$690.10 is held for payment to the rightful owner. Please state the names and addresses of the persons, firms, or corporations to whom said payments have been made, and for whose account such moneys are now held. Also state the amount of money now held by the Standard Oil Company of Louisiana out of the production of oil from the land in controversy and for whose account such moneys are held.

(21).

State whether or not the Standard Oil Company of Louisiana is engaged, and was engaged at the time said oil was taken from the land in suit, in the manufacture and sale, as well as the production of oil, and also
54 state whether the oil taken by it from the land in controversy was sold to other persons, or corporations, or was manufactured by it into products of oil.

(22).

What are the principal products manufactured from petroleum, or crude oil?

(23).

State the total value, either exactly if you know, or approximately, if you do not know exactly, of the products

manufactured by the Standard Oil Company of Louisiana from the oil extracted from the land in controversy.

(24).

State the total profits made by you (a) from the sale of any or all of the crude oil extracted from the land in controversy, and (b) the profits made by you from the manufacture and sale of the products of said crude oil.

(25).

How much money was paid by you as royalty to any of the other defendants herein, out of the proceeds of sale of oil taken from the land in controversy, and state the amount of such royalties, which you are now holding, if any, pending the result of this suit, as well as the names of the persons to whom said royalties were paid, or for whose account they are now being held.

ROBERT A. HUNTER,
Special Assistant to the Attorney General.

Note: All of the above interrogatories, except interrogatories Nos. 6, 21, 22, and 23 are to be answered by the Pure Oil Operating Company.

Interrogatories 13 to 25 inclusive are to be answered by the Standard Oil Company of Louisiana, and no other interrogatories are to be answered by said Company.

All of the above interrogatories are to be answered by John L. Hargrove, except interrogatories 6, 7, 21, 22, 23 and 25.

55 All of the above interrogatories except interrogatories 7, 21, 22 and 23 are to be answered by Mrs. Fannie B. Heilperin and E. G. Palmer.

Indorsed: Petition and order for interrogatories and interrogatories to be answered by the Pure Oil Operating Company, John L. Hargrove, Mrs. Fannie B. Heilperin, & E. G. Palmer. Filed Feb. 14, 1918.

B.

56 In the District Court of the United States for the Western District of Louisiana.

United States of America,

Complainant,

vs.

No. 1154 In Equity.

W. W. Green, et al,

Defendant.

In the above entitled matter Amos K. Gordon, Secretary & Treasurer of the Standard Oil Company of Louisiana, appears and answers the interrogatories propounded to the Standard Oil Company of Louisiana, (except Nos. 23 and 24—a motion having been made to strike them out) as follows:

Interrogatory No. 13.

State to what person or Company the production of the well in suit was sold during the time the same was operated. Is it not a fact that the entire production of the well in suit was sold by the Humphrey Oil Company, E. G. Palmer, H. L. Heilperin and the Pure Oil Operating Company to the Standard Oil Company of Louisiana.

In answer to this interrogatory, the defendant, the Standard Oil Company of Louisiana, states: That it is unable to state to whom all of the oil produced by wells on this property was sold. This Company bought oil from this property from May 1912, to August 1914, and during this time the production was sold to this defendant by the parties referred to. A part of the production may have been sold to other parties, but we have nothing in our files that would give information as to sales to other purchasers.

Interrogatory No. 14:

State the quantity of the oil extracted from the land in controversy which was sold by the producers thereof to the Standard Oil Company of Louisiana.

In answer to this interrogatory, the defendant, the Standard Oil Company of Louisiana, states: That it bought from the property in controversy 12,584.22 barrels of oil of the value of \$11,042.51 during the time the oil was run to this Company, as fully set out in answer.

Interrogatory No. 15:

In answer to this interrogatory, the defendant, the Oil Company for all the oil produced by the well in controversy. Please state separately the price received by E. G. Palmer and H. L. Heilperin, and the price received by the Pure Oil Operating Company from the Standard Oil Company of Louisiana.

In answer to this interrogatory, the defendant, the Standard Oil Company of Louisiana, states: That the annexed statement marked Exhibit "A" will
 57 show the total price received by the respective parties inquired about from this defendant for the oil purchased.

Interrogatory No. 16:

Was not the said oil sold by the Humphrey Oil Company, E. G. Palmer, H. L. Neilperin and the Pure Oil Operating Company to the Standard Oil Company of Louisiana on the land where it was produced, that is, on the property in controversy, by transfer from a tank, or tanks, in which the oil was stored, to a pipe line belonging to the Standard Oil Company of Louisiana, and was not the said oil taken away and removed from the land in controversy by the said Standard Oil Company of Louisiana?

In answer to this interrogatory, the defendant, the Standard Oil Company of Louisiana, states: That the oil was sold by the operator and royalty owners to the defendant on the land where it was produced. It was run into tanks owned by the operators, which were gauged by this defendant's agents and employees and then run into its pipe line and removed from the land in controversy.

Interrogatory No. 17:

What was the quantity and value of the oil taken away and removed from the property in controversy by the Standard Oil Company of Louisiana?

In answer to this interrogatory, the defendant, the Standard Oil Company of Louisiana, states: That the statement annexed and marked Exhibit "A" will show the quantity and value of the oil bought from this property by this defendant and taken away.

Interrogatory No. 18:

Is it not a fact that an agent, representative, or employee of the Standard Oil Company of Louisiana went upon the land in controversy at the time of any pipe

line run or runs, for the purpose of gauging the quantity of oil transferred from the tank, or tanks, to the pipe line of said Standard Oil Company of Louisiana, and did not said gauger measure, or ascertain, the amount of oil run from said tank or tanks to said pipe line? If the amount of oil purchased by the Standard Oil Company of Louisiana from the Pure Oil Operating Company out of the production of the land in controversy was not ascertained by a gauger, in the manner above indicated, then state how the quantity of oil so purchased was measured or ascertained.

In answer to this interrogatory, the defendant, the Standard Oil Company of Louisiana, states: That it is a fact that the agents and employees of this defendant went on the property and gauged the tanks from which oil was purchased and the quantity thus ascertained.

Interrogatory No. 19:

In the answer of the Standard Oil Company of Louisiana to the bill of complaint herein, it is stated that 12,584.22 barrels of oil of the value of \$11,042.51 was taken by it from the parties in this case, but that the Standard Oil Company of Louisiana does not know from which well the said oil was taken. Is it not a fact that the oil referred to in said answer was taken from the property in controversy in this cause? If you state in your answer to this question that the said oil was taken from the well in suit, and other wells not in suit, then state the names and location of the wells not in controversy from which any of said oil was taken, and state how much oil was taken from the wells involved in this suit.

58 In answer to this interrogatory, the defendant, the Standard Oil Company of Louisiana, states: That the oil referred to was taken from the land in con-

troversy, as stated in the answer. This Company is not advised as to the number of wells drilled on said property, and it is not able to state the location of the other wells if any were drilled. When it buys oil it is taken from the tanks located on the property and ordinarily it is not in a situation to know from what wells the oil is so taken and stored in the tanks.

Interrogatory No. 20:

In the answer of the Standard Oil Company of Louisiana to the bill of complaint it is stated that the sum of \$10,352.41 has been paid to the claimants of said oil, and that \$690.10 is held for the payment to the rightful owner. Please state the names and addresses of the persons, firms, or corporations to whom said payments have been made, and for whose account such moneys are now held. Also state the amount of money now held by the Standard Oil Company of Louisiana out of the production of oil from the land in controversy and for whose account such moneys are held.

In answer to this interrogatory, the defendant, the Standard Oil Company of Louisiana, states: That the annexed statement will show all the oil taken by it from the property in controversy, and the names of the parties from whom the oil was so bought, and the amounts paid them. The annexed division orders and transfer orders, marked Exhibit "B", will show the names and addresses of the respective parties inquired about in said interrogatory. The \$690.10 referred to in the answer is held for account of W. W. Green, who claimed to have held 1/16 royalty interest in said property.

Interrogatory No. 21:

State whether or not the Standard Oil Company of Louisiana is engaged, and was engaged at the time of said

oil was taken from the land in suit, in the manufacture and sale, as well as the production of oil, and also state whether the oil taken by it from the land in controversy was sold to other persons, or corporations, or was manufactured by it into products of oil.

In answer to this interrogatory, the defendant, the Standard Oil Company of Louisiana, states: That it is engaged, and was at the time the oil was taken, in the manufacture and sale, as well as the production, of oil, but it is unable to state just what disposition was made of the oil purchased by it from said property; but the oil taken from the property in controversy having been of a light character was probably manufactured, although all the oil taken from wells in this locality was run into the pipe line and it could not be stated with certainty that this particular oil was manufactured.

Interrogatory No. 22:

What are the principal products manufactured from petroleum, or crude oil?

In answer to this interrogatory, the defendant, the Standard Oil Company of Louisiana, states: That the principal products manufactured from petroleum, or crude oil, are what is commercially known as gasoline, kerosene, engine distillate, lubricating oils of various grades, gas oil, fuel oil, paraffine and coke.

Interrogatory No. 25:

How much money was paid by you as royalty to any
of the other defendants herein, out of the proceeds
59 of sale of oil taken from the land in controversy,
and state the amount of such royalties, which
you are now holding, if any, pending the result of this
suit, as well as the names of the persons to whom said

royalties were paid, or for whose account they are now being held.

In answer to this interrogatory, the defendant, the Standard Oil Company of Louisiana, states: That the statement referred to will show all of the money paid to the royalty owners, and furnish such other information as is inquired about in this interrogatory.

A. K. GORDON,
Secretary and Treasurer.

Sworn to and subscribed before me on this the 8th day of February, 1918.

(Seal) T. B. BEALE,
Notary Public, in and for the
Parish of East Baton Rouge,
Louisiana.

Indorsed: Answer to interrogatories of the defendant, the Standard Oil Company of Louisiana. Filed Feb. 11, 1918.

B.

60 In the District Court of the United States for the
Western District of Louisiana.

United States of America,

Complainant,

vs.

No. 1154 In Equity.

W. W. Green, et al,

Defendant.

Now into this Honorable Court comes Robert A. Hunter, Special Assistant to the Attorney General, and with respect represents:

That the bill of complaint and order indorsed thereon was served herein, on defendants, John L. Hargrove, July 23, 1917, Franklin Oil & Fuel Company, July 24, 1917, and that an alias subpoena in chancery was served on W. W. Green, October 10, 1917. Plaintiff shows that the said defendants have filed no answers or other appearance herein.

Plaintiff, therefore, moves that the bill of complaint in this cause be taken pro confesso against the said defendants.

ROBERT A. HUNTER,

Special Assistant to the Attorney General.

Indorsed: Motion for taking the bill pro confesso against John L. Hargrove, Franklin Oil & Fuel Company, and W. W. Green. Filed Feb. 25, 1918.
B.

60½ United States District Court, Western District
of Louisiana.

Monday:

Shreveport, La., Feb. 25, 1918.

Court met pursuant to adjournment and was ordered
opened.

Present and Presiding: Honorable Geo. Whitfield Jack
and Rufus E. Foster, United States Judges.

United States,
vs. No. 1154 In Equity.
W. W. Green, et als.

On motion of Robert A. Hunter, Esq., Special Assistant to the Attorney General, and on suggesting to the Court that certified copies of the bill of Complaint with the order annexed thereto were served upon defendants John L. Hargrove and the Franklin Oil & Fuel Company on July 23, and July 24, 1917, respectively, and that an alias subpoena in chancery was served on W. W. Green, October 10, 1917, as will appear by the returns of service on file in the office of the Clerk and it further appearing that no answer or other appearance has been filed herein by said defendants, or any of them, it is therefore, ordered adjudged and decreed that the bill of complaint herein be taken pro confesso against the said defendants, John L. Hargrove, Franklin Oil & Fuel Co. and W. W. Green.

Upon the motion of Mr. Robert A. Hunter, Special Assistant to the Attorney General, it is ordered that this cause be set for Wednesday, February 27, 1918, for hearing on the motion of Standard Oil Co. to strike out certain interrogatories.

61 In the District Court of the United States for the
Western District of Louisiana, Shreveport
Division.

United States of America,

Plaintiff,

vs.

No. 1154 In Equity.

W. W. Green, E. G. Palmer, Mrs. Fannie B. Heilperin,
Tutrix of Natalie Heilperin, John L. Hargrove, Frank-
lin Oil and Fuel Company, Humphrey Oil Company,
Pure Oil Operating Company, Standard Oil Company
of Louisiana,

Defendants.

And now comes the Standard Oil Company of Louisi-
ana, made one of the defendants in the above cause, and
availing itself of the reservations made in its answer, now
moves the Court to dismiss the bill in this cause as against
this defendant, because said bill does not state any matter
of equity entitling plaintiff to the relief prayed for, nor
are the facts as stated sufficient to entitle plaintiff to
any relief against this defendant.

Wherefore, this defendant prays the judgment of this
Court on the matter herein submitted, and that the suit
as against it be dismissed with cost.

J. C. PUGH & SON,

Solicitors for Standard Oil Co.
of La.

Indorsed: Motion to dismiss as to the Standard Oil
Company of Louisiana. Filed February 27, 1918.

F

United States District Court, Western District of Louisiana.

Wednesday, Shreveport, La., February 27, A. D. 1918.

Court met pursuant to adjournment and was ordered opened.

Present and Presiding: Hon. Rufus E. Foster, U. S. Judge.

United States of America,

vs.

No. 1154 In Equity.

W. W. Green, et als.

In this cause now into Court comes the Standard Oil Company, one of the defendants herein, through its solicitor, Judge J. C. Pugh, and files its Motion to dismiss herein.

Thereupon, this cause came on to be heard upon the motions to dismiss and upon the motions to strike out certain interrogatories, Mr. Wm. C. Barnette, and Judge J. C. Pugh appearing as solicitors for the defendants and Mr. Robert A. Hunter, Special Assistant to the Attorney General appearing as solicitor for the Complainant herein. The said motions were argued by counsel for either side and submitted, and thereupon the Court overruled the motions to dismiss, to which ruling of the Court defendants reserved a bill of Exceptions—the motion to strike out certain interrogatories being sustained by the Court, with leave for the Complainant herein to renew said interrogatories at such time as it may seem proper.

63 United States District Court, Western District
of Louisiana.

United States,

vs.

No. 1154.

W. W. Green, et al.

This case now being at issue, the Court considering that the services of a Master are necessary to aid the Court and economize its time, and for the purpose of expediting the final hearing of said cause, the Court of its motion appoints Edward H. Randolph, Esq., Special Master herein.

It is further ordered that this case be referred to said Master to take the evidence and report his findings of fact and conclusions of law thereon.

The said Special Master is authorized to set the case for hearing at such time and place as in his opinion may be most convenient to all parties, and he is authorized to hear the evidence within the jurisdiction of the Court or elsewhere as may be advisable.

RUFUS E. FOSTER,
Judge.

(Seal)

March 29, 1918.

Filed Mar. 29, 1918.

63-A

PLFF "G"

R. B. COOK,
Stenographer.

United States,
vs. Suit No. 1154.
W. W. Green, et al.

Statement of the oil run from the land in question by the
Standard Oil Company of Louisiana from May 1912,
to August 1914 inclusive, and the division of the oil
and values.

Total oil run from the land in question.	Bbls. 12,584.22	Value. \$11,042.51
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Division of oil and values.

Humphrey Oil & Gas Company	6,551.11	\$ 5,199.58
Franklin Oil & Fuel Company	786.40	690.03
Pure Oil Operating Company	2,979.05	2,986.95
H. L. Heilperin	740.57	737.90
E. G. Palmer	740.61	737.95
W. W. Green	786.48	690.10
Total	12,584.22	\$11,042.51

Counter Claim.

Cost of operating well from January 1913
to August 1914 inclusive by the Pure Oil
Operating Company. \$ 3,997.03

No claim is asserted by the Humphrey Oil and Gas Co.
for drilling and operating the well.

The records of the Gulf Refining Co. of La. show that the first work done on the land leading to the discovery of oil was on February 24, 1912, when Green No. 1 was begun to be drilled.

Filed Jan. 21, 1919.

63-B GREENE COST OF OPERATION.

Suit No. 1154.

No. 1 cost of Operation Jan. 1913 to Aug. 1914 \$3,997.03

Pure Oil Operating Company.

Green No. 1.

Net Runs

Date.	Net Runs	Price Per Bbl.	Value.
1913			
February	546.98	.98	\$536.04
March	353.47	.98	346.40
April	337.42	.98	330.67
May	213.58	.98	209.31
June	210.57	.98	206.36
July	220.45	1.00	220.45
August	110.19	1.00	110.19
	110.28	1.05	115.79
September	98.83	1.05	103.77
October	205.33	1.05	215.60
November	103.13	1.05	108.29
December	100.75	1.05	105.79
1914.			
January			
February			

March	97.19	1.05	102.05
April	99.02	1.05	103.97
May	75.30	1.05	79.07
June	55.62	1.05	58.40
July			
August	40.94	.85	34.80
	2,979.05		\$2,986.95

February 9, 1913, First Run,
August 19, 1914, Last Run.

64 In the District Court of the United States for
the Western District of Louisiana.

United States of America,

Complainant,

vs.

No. 1154, In Equity.

W. W. Green et al,

Defendants.

In the above numbered and entitled cause, now comes the Pure Oil Operating Company, through W. J. Higgins, its Treasurer, a proper Officer of the said corporation for the answering of interrogatories to it herein, and answers, under oath, as follows, to-wit:

To Interrogatory No. 1, defendant answers:

Green No. 1 was drilled by the Humphrey Oil & Gas Company, as lessee of W. W. Green.

To Interrogatory No. 2, defendant answers:

This defendant does not know when said well was commenced, it was operated by the Humphrey Oil & Gas Company from August 3rd, 1912, until it was acquired by H.

L. Heilperin and E. G. Palmer on December 17th, 1912, who operated same until January 16th, 1913, when it was surrendered to this defendant, the lessee from Lydia Hanszen et al of the tract of land of which the property in controversy forms part, and was operated by this defendant up to August 1st, 1914.

To Interrogatory No. 3, defendant answers:

The proceeds of the sale of oil from said well was converted to the use and benefit of the defendants in this cause, subsequent to the surrender of said well to this defendant.

To Interrogatory No. 4, defendant answers:

Said well was operated by the Pure Oil Operating Company in the production of oil from January 16th, 1913, to August first, 1914, when it ceased to produce.

65 To Interrogatory No. 5, defendant answers:

Not having information relative thereto, defendant is unable to answer this interrogatory except to state that the said well was drilled by the Humphrey Oil & Gas Company on the property in controversy, that later the said well and the said tract was sold to E. G. Palmer and H. L. Heilperin, and that the said Palmer and Heilperin transferred their interest therein to the Pure Oil Operating Company, and that said well was operated by the latter Company from January 16th, 1913, until August first, 1914, when same ceased to produce.

To Interrogatory No. 7, defendant answers:

Copies are attached hereto of agreements of date December 17th, 1912, and January 16th, 1913.

To Interrogatory No. 8, defendant answers:

The production from said well run for account of this defendant (11/16 of 7/8) from January 16th, 1913, to August 1st, 1914 (date of last run) was 2,979.05 barrels of the value of \$2,986.95; 5/16 of 7/8 being run for account of the said Heilperin and Palmer; the remaining 1/8 being run for account of the said W. W. Green and the Franklin Oil & Gas Company.

To Interrogatory No. 9, defendant answers:

As an entity.

To Interrogatory No. 10, defendant answers:

A separate and complete record was kept by this defendant of the oil produced by said well for its account (11/16 of 7/8), from monthly statements rendered to it by the Standard Oil Company of Louisiana, who purchased said oil from said well.

To Interrogatory No. 11, defendant answers:

The production as given by defendant in its answer to the bill of complaint and in answer to the preceding interrogatories is exact and is the quantity of oil purchased from this defendant by the Standard Oil Company of Louisiana from the well in controversy.

To Interrogatory No. 12, defendant answers:

The value of the oil produced from said well for account of this defendant was \$2,986.95. The value as given

is exact and is the value of defendant's 11/16
66 of 7/8 of the production during the period of
from Jan. 16th, 1913, to August first, 1914, at
posted pipe line prices at the date of the purchase of said
oil, same being at prevailing price of oil in the field at
such date.

To Interrogatory No. 13, defendant answers:

During the time the well was operated by this defendant, its entire production was sold to the Standard Oil Company of Louisiana.

To Interrogatory No. 14, defendant answers:

The entire production of said well was sold to the Standard Oil Company of Louisiana; defendant's 11/16 of 7/8 of the production during the period from Jan. 16th, 1913, to August first 1914, amounting to 2,979.05 barrels.

To Interrogatory No. 15, defendant answers:

Not having information relative thereto defendant is unable to answer this interrogatory except to report that it received from the Standard Oil Company of Louisiana \$2,986.95 for its proportion of said production.

To Interrogatory No. 16, defendant answers:

Yes.

To Interrogatory No. 17, defendant answers:

The quantity of oil taken away and removed from the property in controversy from Jan. 16th, 1913, to August

first, 1914, for account of this defendant, by the Standard Oil Company of Louisiana, was 2,979.05 barrels (or 11/16 of 7/8 of the entire production during said period.)

To Interrogatory No. 18, defendant answers:

Yes.

To Interrogatory No. 19, defendant answers:

The oil referred to in the answer of the Standard Oil Company of Louisiana to the bill of complaint herein was taken from the property in controversy in this cause, 2,979.05 barrels of which of the value of \$2,986.95, was run for account of this defendant (or 11/16 of 7/8 of the entire production of said well from January 16th, 1913, to August first, 1914.)

67 To Interrogatory No. 20 defendant answers:

Not having information relative thereon defendant is unable to answer this interrogatory except to report that \$2,986.95 of said sum of \$10,352.41 has been received by it from the Standard Oil Company of Louisiana for its 11/16 of 7/8 of the production of said well during said period of from Jan. 16th, 1913, to August first, 1914, and that no part of said \$690.10 is being held for payment to this defendant.

To Interrogatory No. 24, defendant answers:

The entire cost to this defendant of operating the said well, during the period that it was operated by it, was, \$2.697.80.

Received by this defendant from the Standard Oil Company of Louisiana for the value of its 11/16 of 7/8 of the production of oil from said well during the period that it was operated by this defendant Jan. 16th, 1913, to August 1st, 1914). \$2,986.95

Or a profit of \$289.15

To Interrogatory No. 25, defendant answers:

Defendant paid no royalty out of the production from said well. It sold its 11/16 of 7/8 (Heilperin and Palmer selling their 5/16 of 7/8 and W. W. Green and the Franklin Oil & Gas Company selling their 1/8) of the production during the period of from Jan. 16th, 1913, to August first, 1914 (date of last run) to the Standard Oil Company of Louisiana and received therefrom the sum of \$2,986.95; no amount being held to the credit of this defendant pending the result of this suit.

W. J. HIGGINS.

Sworn to and subscribed before me on this the 13th day of April, 1918.

HILDA R. SAUER,
(Seal) Notary Public in and for Allegheny County, Penna.

My Commission expires at the end of Next Session of Senate.

State of Louisiana,
Parish of Caddo.

Be it known, that this day before me, J. A. Thigpen, Notary Public in and for said Parish, duly commissioned and sworn, came and appeared the Humphrey Oil & Gas Company, a corporation organized under the laws of the State of Illinois, and domiciled at Chicago, Ill., with John Cudahy as its President, and represented herein by Evan Humphrey, its secretary, agent and attorney in fact, authorized as per resolution of the Board of Directors of said Company, a copy of which is hereto attached, who declared that it does by these presents grant, bargain, sell, transfer, convey and deliver, with full warranty of title, and with complete subrogation of all rights and actions against former proprietors, unto H. L. Heilperin, husband of Fannie Bluestein, and E. G. Palmer, husband of Mabel Mitchell, both residents of Shreveport, La., purchasing equally, the following property situated in Caddo Parish, La., to-wit:

All of the drilling machinery, pipe and accessories owned by the said Humphrey Oil & Gas Company, and used by it in operating in the Caddo Oil Field, a list, inventory and description of which said property is, with the signing of this act, delivered by the said vendor to these vendees; it being distinctly understood and agreed that these vendees acquire all of the machinery, pipe, oil and gas well appliances and accessories owned and used by the said vendor in the Caddo Oil Field, whether especially enumerated in said list or not.

And the said vendor declares that this sale includes all of the oil in tankage in the Caddo Oil Field owned by the said Humphrey Oil & Gas Company. But it is

expressly agreed that this sale does not include any oil run or delivered previous to the signing of this agreement of sale.

And the said vendor declares that it further sells, conveys, transfers and delivers, with full warranty of title, unto the said vendees that certain oil well drilled by this vendor on that certain strip of ground known as the "Green Mineral Location", which said leased land is specifically described in that certain lease granted by W. W. Green and John L. Hargrove to J. G. Johns, as recorded in Conveyance Book 72, page 343 of the records of Caddo Parish, La., which said lease was assigned by the said Johns to this vendor, as per act in Conveyance Book 72, page 343, of the records of Caddo Parish, La., this sale including all of the machinery, pipe, boilers, tanks and all other material and equipment on said leased lands and at said well, whether used in operating said well or not.

And the said vendor herein further transfers and assigns to these vendees all of its right, title and interest in and to the said above mentioned lease granted by W. W. Green and John L. Hargrove to J. G. Johns, and described in the act recorded in Conveyance Book 72, page 343, of the records of Caddo Parish, La.; said lease covering a strip of ground known as the "Green Mineral Location."

It is especially understood and agreed between the parties hereto that the vendees herein in purchasing said oil well, and the right, title and interest of this vendor in and to said lease, do not in any manner obligation themselves to drill any further wells on said property; but do obligate and agree to deliver to John L. Hargrove and W. W. Green the one-eighth royalty oil of all the oil that may be saved from that produced from the said well already drilled on said land and acquired by them under this sale, provided, and only, in the event that the said W. W. Green and John

L. Hargrove, establish their title and ownership to said leased lands.

To have and to hold said described property unto said purchasers, their heirs and assigns forever.

This sale is made for the consideration of the sum of Five Thousand (\$5,000.00) Dollars, cash in hand paid, receipt of which is hereby acknowledged.

69 Thus done and signed in the City of Shreveport, Caddo Parish, La., on this the 17th day of December, 1912.

HUMPHREY OIL & GAS CO.
Per EVAN HUMPHREY,
Secretary, Agent & Attorney.
J. A. THIGPEN, Notary.

Attest:

C. KELLER,
J. F. SLATTERY.

70 State of Louisiana,
 Parish of Caddo.

This agreement, by and between H. L. Heilperin and E. G. Palmer of Shreveport, La., of the one part and the Pure Oil Operating Company, a corporation represented herein by its agent, S. L. Cronin, of the other part, Witnesseth: that,

Whereas the Pure Oil Operating Company holds under a lease from Miss Lydia Hanszen and others a tract of land in Section Three (3) and Four (4), Township Twenty (20), Range Sixteen (16), commonly known as the Hanszen- Mason 87-Acre Mineral File; and

Whereas H. L. Heilperin and E. G. Palmer have acquired from the Humphrey Oil & Gas Company an oil

well, with all the equipment and material pertaining to same, drilled by the said Humphrey Oil & Gas Company on a strip of land known as the "Green File", which said strip is claimed by the said Miss Hanszen and others and by the said Pure Oil Operating to be within the limits of the said 87-Acre Mineral File located by the said Miss Hanszen and others;

Now, therefore, in order that the said oil well may be operated and in full compromise of all rights of the respective parties hereto relative to said well, but with the distinct understanding that by this agreement the Pure Oil Operating Company does not in any manner acknowledge the claim of C. G. Green and J. L. Hargrove to the said strip of ground known as the "Green Mineral File", and without any prejudice as against the claims of Miss L. Hanszen and others for royalties from the said well known as "Green No. 1", as well as such other wells as may hereafter be drilled by the Pure Oil Operating Company, if any, on the strip of ground covered by the so-called "Green Mineral Location", the said parties hereto have and do hereby agree as follows:

The Pure Oil Operating Company obligates and agrees to take charge of and operate the said well, in consideration of retaining in full compensation for its services in taking care of and operating said well, and in full compromise of its right under its claim that same is drilled on said 87-Acre file, eleven-sixteenths of seventh-eighths ($11/16$ of $7/8$) of all oil that may be saved from that produced therefrom.

And the Pure Oil Operating Company further agrees to deliver the remaining portion of such oil as may be produced, that is fifty-one/one hundred and twenty-eighths ($51/128$) to H. L. Heilperin and E. G. Palmer.

And regardless of the manner in which the question of title to said strip may hereafter be settled and determined, that is to say, whether the said strip be held to be property of Miss L. Hanszen and others, as embraced in the 87-Acre Location of Miss L. Hanszen and others, or whether said strip be held to belong to C. G. Green and his co-claimant, J. L. Hargrove, said well shall at all times, as long as it can be made to produce oil in paying quantities, be operated under this agreement, that is to say, the Pure Oil Operating Company to operate said well and take care of all expense incident thereto, and furnish all material necessary therefor, and receive therefrom eleven-sixteenths of seven-eighths ($11/16$ of $7/8$) of the production therefrom, and to pay to the said Heilperin and Palmer the remaining portion of the production therefrom.

It is especially agreed and understood that the Pure Oil Operating Company shall not be in any manner liable to Green and Hargrove for the royalties provided under lease of the said Green and Hargrove to the Humphrey Oil & Gas Company, under which said lease said well was drilled; and the said Heilperin and Palmer obligate and agree in favor of the said Pure Oil Operating Company that they will hold the said Pure Oil Operating Company harmless from any claim on account of said royalty.

71 But both of the parties hereto further agree that if for any reason, on account of the several contracts and leases that have been entered into regarding said land, a royalty should be held to be due to both Miss Hanszen and her associates and the said Green and Hargrove, then whatever royalty is held to be due to both of the said parties in excess of one-eighth shall be paid by the parties hereto in equal proportions; the parties hereto contemplating that some portion, if not

all, of the royalty from said well heretofore claimed by Miss Hanszen and others will be waived and released. But if all of said royalties is not waived, and a royalty in excess of one-eighth ($1/8$ of all the oil saved from that produced should, as heretofore stated, be due out of the oil saved from said well, then said excess royalty shall be taken care of and paid as above provided.

In further consideration of this agreement, the said Heilperin and Palmer hereby sell, transfer, and convey unto the Pure Oil Operating Company all of the material in said well and all of the equipment pertaining to same, except $2\frac{1}{2}$ inch pipe where lose or in lines, the said $2\frac{1}{2}$ inch pipe not being conveyed under this agreement; and, also, except all of the two inch pipe about said well, reserving, however, to the Pure Oil Operating Company a sufficient amount of two inch pipe for two lines from the said well to the tanks connected therewith, and a sufficient amount for one from said "Green Well No. 1", to the nearest oil well of the Pure Oil Operating Company.

It is especially agreed by and between the parties hereto, and is made part of this agreement and sale, that the Pure Oil Operating Company shall continue to operate said well under the terms and agreements as herein fixed, as long as the said well can be made to produce oil in paying quantities to both parties hereto.

Executed in Shreveport, La., in duplicate, on this the sixteenth day of January, 1913.

H. L. HEILPERIN,

E. G. PALMER,

J. A. THIGPEN, Notary Public.

Attest:

S. L. HEROLD;

C. KELLER.

Indorsed: Answer of Pure Oil Operating Co. to Interrogatories. Filed Apr. 20, 1918.

72 In the District Court of the United States for the Western District of Louisiana.

United States of America,
Complainant,
vs. No. 1154 In Equity.

W. W. Green et al,
Defendants.

In the above numbered and entitled cause, now comes E. G. Palmer and answers under oath the interrogatories to him herein propounded, as follows, to-wit:

To Interrogatory No. 1, he answers:

Well known as "Green No. 1" was drilled by the Humphrey Oil & Gas Company, as lessee of W. W. Green.

To Interrogatory No. 2, he answers:

Not having information relative thereto, I am unable to answer this interrogatory except to report that said well was completed before December 17th, 1912, when same was purchased by Mr. Heilperin and myself; and that same was operated by the Pure Oil Operating Company from the date of its purchase from us, January 16th, 1913, until it ceased to produce, August, 1914.

To Interrogatory No. 3, defendant answers:

Said well was producing oil on December 17th, 1912, when same was purchased by Mr. Heilperin and myself, and from that date until it ceased to produce, proceeds from the sale thereof was converted to the use and benefit of the defendants herein in the proportion of their ownership thereof.

To Interrogatory No. 4, he answers:

Said well was being operated by the Humphrey Oil & Gas Company when same was purchased by Mr. Heilperin and myself; it was operated by the Pure Oil Operating Company from the date of its acquisition, January 16th, 1913, until it ceased to produce, August, 1914.

To Interrogatory No. 5, he answers:

Said well was operated by the Humphrey Oil & Gas Company until it sold same, December 17th, 1912, and by the Pure Oil Operating Company from the date of its acquisition, January 16th, 1913, until it ceased to produce.

73 To Interrogatory No. 6, defendant answers:

There is attached hereto copy of said agreement of date January 16th, 1913.

To Interrogatory No. 8, he answers:

5/32 of 7/8 of the production from said well from December 17th, 1912, to August, 1914, (being amount run for my account) was 740.61 barrels of the value of \$737.95.

To Interrogatory No. 9, he answers:

I do not know.

To Interrogatory No. 10, he answers:

Not having information relative thereto, I am unable to answer this interrogatory.

To Interrogatory No. 11, he answers:

The number of barrels of oil run for account of myself and the value thereof is based upon monthly statements of runs as furnished by the Standard Oil Company of Louisiana.

To Interrogatory No. 12, he answers:

Not having information relative thereto I am unable to answer this interrogatory except to report that the value as given was the amount received by me from the Standard Oil Company of Louisiana for my proportion of the oil run from said well.

To Interrogatory No. 13, he answers:

Standard Oil Company of Louisiana.

To Interrogatory No. 14, he answers:

Not having information relative thereto I am unable to answer this interrogatory except to report that 5/32 of 7/8 of the oil extracted from the land in controversy from December 17th, 1912, to August, 1914 (my proportion thereof) was 740.61 barrels.

To Interrogatory No. 15, he answers:

I received from the Standard Oil Company of Louisiana \$737.95 for said 740.61 barrels of oil.

To Interrogatory No. 16, he answers:

Yes.

74 To Interrogatory No. 17, defendant answers:

The quantity of oil taken away and removed from the property in controversy, for account of myself, was 740.61 barrels, of the value of \$737.95.

To Interrogatory No. 18, he answers:

Yes.

To Interrogatory No. 19, he answers:

The oil referred to in the answer of the Standard Oil Company of Louisiana to the bill of the complaint herein was taken from the property in controversy in this cause, 740.61 barrels being taken for my account, of the value of \$737.95.

To Interrogatory No. 20, he answers:

Not having information relative thereto, I am unable to answer this interrogatory except to report that \$737.95 of said sum of \$10,352.41 has been received by me from the Standard Oil Company of Louisiana and that no part of said sum of \$690.10 is being held for payment to me.

To Interrogatory No. 24, he answers:

Mr. Heilperin and I purchased the Green well, together with pipe; fittings, etc., for the sum of \$5,000.00, my $\frac{1}{2}$ \$2,500.00;

My one-half of approximate amount received from the sale of pipe, etc., \$2,119.78;
My receipts from sale of oil.. 737.95; 2,857.73

Or a net profit of \$357.73

To Interrogatory No. 25, he answers:

I paid no royalty out of the production from said well. I sold my $\frac{5}{32}$ of $\frac{7}{8}$ of the production of said well to the Standard Oil Company of Louisiana, 740.61 barrels, and received therefor \$737.95. No amount is being held for my credit pending the result of this suit.

E. G. PALMER.

Sworn to and subscribed before me on this the 10th day of April, 1918.

(Seal) J. A. THIGPEN,
Notary Public in and for Caddo Parish, Louisiana.

75 Agreement between H. L. Heilperin and E. G. Palmer, and Pure Oil Operating Company omitted from printed record, being copied at page 94.

• • • • •

Indorsed:—Answer of E. G. Palmer to Interrogatories. Filed Apr. 20, 1918.

77 In the District Court of the United States, for
the Western District of Louisiana.

United States of America, Complainant,
vs. No. 1154, In Equity.
W. W. Green, et al., Defendant.

In the above numbered and entitled cause, now comes Mrs. Fannie B. Heilperin and answers under oath the interrogatories to her herein propounded, as follows, to-wit:

To Interrogatory No. 1, she answers:

Well known as "Green No. 1" was drilled by the Humphrey Oil & Gas Company, as lessee of W. W. Green.

To Interrogatory No. 2, she answers:

Not having information relative thereto, I am unable to answer this interrogatory except to say that said well was completed prior to December 17th, 1912, when same was purchased by E. G. Palmer and Mr. Heilperin, and that same was operated by the Pure Oil Operating Company from the date of its purchase from Mr. Palmer and Mr. Heilperin, January 16th, 1913, until said well ceased to produce, August, 1914.

To Interrogatory No. 3, defendant answers:

Said well was producing oil on December 17th, 1912, when it was purchased by Mr. Palmer and Mr. Heilperin, and from that date until said well ceased to produce proceeds from the sale thereof was converted to the use and benefit of the defendants herein in the proportion of their ownership thereof.

To Interrogatory No. 4, defendant answers:

Said well was being operated by the Humphrey Oil & Gas Company when same was purchased by Mr. Palmer and Mr. Heilperin. It was operated by the Pure Oil Operating Company from the date of its acquisition from Mr. Palmer and Mr. Heilperin, January 16th, 1913, until it ceased to produce, August, 1914.

78 To Interrogatory No. 5, she answers:

Said well was being operated by the Humphrey Oil & Gas Company at the time it sold same to Mr. Palmer and Mr. Heilperin. It was operated by the Pure Oil Operating Company from the date of its acquisition from Mr. Palmer and Mr. Heilperin, January 16th, 1913, until said well ceased to produce.

To Interrogatory No. 6, she answers:

There is attached hereto copy of said agreement of date January 16th, 1913.

To Interrogatory No. 8, she answers:

5/32 of 7/8 of the production from said well from December 17th, 1912, to August, 1914 (being amount run for account of Mr. Heilperin) was 740.57 barrels of the value of \$737.90.

To Interrogatory No. 9, she answers:

I do not know.

To Interrogatory No. 10, she answers:

Not having information relative thereto, I am unable to answer this interrogatory.

To Interrogatory No. 11, she answers:

The number of barrels of oil run for account of Mr. Heilperin and the value thereof is based upon monthly statements of runs as furnished by the Standard Oil Company of Louisiana.

To Interrogatory No. 12, she answers:

Not having information relative thereto, I am unable to answer this interrogatory except to report that the value as given was the amount received by Mr. Heilperin from the Standard Oil Company of Louisiana for his proportion of the oil run from said well.

To Interrogatory No. 13, she answers:

Standard Oil Company of Louisiana.

To Interrogatory No. 14, she answers:

Not having information relative thereto I am unable to answer this interrogatory except to say that 5/32 of 7/8 of the oil extracted from the land in controversy from December 7th, 1912, to August, 1914 (Mr. Heilperin's proportion thereof) was 740.57 barrels.

79 To Interrogatory No. 15, she answers:

Mr. Heilperin received from the Standard Oil Company of Louisiana \$737.90 for said 740.57 barrels of oil.

To Interrogatory No. 16, she answers:

Yes.

To Interrogatory No. 17, she answers:

The quantity of oil taken away and removed from the land in controversy, for account of Mr. Heilperin, was 740.57 barrels, of the value of \$737.90.

To Interrogatory No. 18, she answers:

Yes.

To Interrogatory No. 19, she answers:

The oil referred to in the answer of the Standard Oil Company of Louisiana to the bill of complaint herein was taken from the property in controversy in this cause, 740.57 barrels being taken for account of Mr. Heilperin, of the value of \$737.90.

To Interrogatory No. 20, she answers:

Not having information relative thereto, I am unable to answer this interrogatory except to report that \$737.90 of said sum of \$10,352.41 was received by Mr. Heilperin from the Standard Oil Company of Louisiana and that no part of said sum of \$690.10 is being held to his credit.

To Interrogatory No. 24, she answers:

Mr. Heilperin and Mr. Palmer purchased the Green well, together with pipe, fittings, etc., for the sum of \$5,000.00, Mr. Heilperin's one-half being	\$2,500.00
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Mr. Heilperin's one-half of approximate amount received from the sale of pipe, etc.	\$2,119.78;
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Mr. Heilperin's receipts from the sale of oil,	737.90; 2,857.68
--	------------------

Or a net profit of	<div style="border-top: 1px solid black; display: inline-block; width: 100px;"></div> \$ 357.68
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80 To Interrogatory No. 25, she answers:

Mr. Heilperin paid no royalty out of the production from said well. He sold his $\frac{5}{32}$ of $\frac{7}{8}$ of the production of said well to the Standard Oil Company of Louisiana, or 740.57 barrels, and received therefor \$737.90. No amount is being held for account of Mr. Heilperin pending the result of this suit.

FANNIE B. HEILPERIN.

Sworn to and subscribed before me on this the 20th day of April, 1918.

(Seal)

J. A. THIGPEN,

Notary Public in and for Caddo
Parish of Louisiana.

81 In the District Court of the United States for
the Western District of Louisiana.

United States of America, Complainant,

vs.

No. 1154 In Equity.

W. W. Green, et al, Defendant.

For defendant, Standard Oil Company of Louisiana, it is urged for exception to the Report of Special Master:

First: That all of said parties are co-defendants with this defendant, and in its original answer it called them in warranty, and the final judgment to be rendered herein should award to this defendant a judgment in warranty against its co-defendants for the amount shown to have been paid them, as such a judgment would avoid a multiplicity of suits; and in any event, this defendant's right of action to recoup from its co-defendants should be reserved.

Second: That the amount due by this defendant, as fixed by the Special Master, stipulates that it should draw five per cent (5%) interest from the time of the filing of his Report, and this defendant urges that interest should only run from the finality of any judgment rendered.

Wherefore, it prays that these exceptions be sustained and the recommendations of the Special Master be revised accordingly.

J. C. PUGH & SON,
Attorney for Defendant, Standard
Oil Company of La.

Indorsed:—Exception to Report of Special Master.
Filed Jany. 23.

82 In the District Court of the United States for
 the Western District of Louisiana.

United States of America, Plaintiff,

vs. No. 1154 In Equity.

W. W. Green, et al., Defendants.

Now comes the Pure Oil Operating Company, one of the defendants herein, and excepts to the report of E. H. Randolph, Esquire, Special Master, filed in this cause on the 11th day of January, 1919, and for cause of exception shows:

1.

That the Master has reported and certified that the land in controversy was validly withdrawn from mineral

location at the date of the drilling of the well; whereas he should have certified and reported that the property in controversy is part of the mineral location made by Lydia Hanszen and others, on April 2nd, 1910, which location was perfected before any withdrawal of the land from entry, under the placer mining laws of the United States.

2.

That the Master has reported and certified that the cost to this defendant of the operation of the well in controversy was \$2,677.80; whereas he should have reported and certified such expense to have been \$3,997.03.

3.

That the Master has reported and certified that this defendant should be held liable for money judgment in the sum of \$289.15; whereas he should have reported and certified that even if the Government is entitled to recover the land in controversy, it is not entitled to any money judgment against this defendant.

4.

That the said Master has in said report certified that this defendant should pay interest upon the amount of judgment rendered against it, at the rate of five (5%) per cent per annum from the filing of the report; whereas he should have certified that if any judgment is rendered against this defendant, interest should run only from the date that same is liquidated by decree of this Court.

Wherefore, defendant prays that these exceptions be sustained and that judgment be rendered in its favor accordingly.

THIGPEN & HEROLD,
Solicitors for Pure Oil Operating Co.

Indorsed:—Exception of the Pure Oil Operating Company to the Report of the Special Master. Thigpen & Herold; Solicitors. Filed January 30, 1919.

84 In the District Court of the United States for the Western District of Louisiana.

United States of America, Plaintiff,
vs. No. 1154 In Equity.
W. W. Green, et al., Defendants.

Now come E. G. Palmer and Mrs. H. L. Heilprein, two of the defendants herein, and except to the report of E. H. Randolph, Esquire, Special Master, filed in this cause on the 11th day of January, 1919, and for cause of exception show:

1.

That the Master has reported and certified that the land in controversy was validly withdrawn from mineral location at the date of the drilling of the well; whereas he should have certified and reported that the property in controversy is part of the mineral location made by Lydia Hanszen and others, on April 2nd 1910, which location was perfected before any withdrawal of the land from entry, under the placer mining laws of the United States.

2.

That the Master has reported and certified that the cost of the operation of the well in controversy was \$2,697.80; whereas he should have reported and certified such expense to have been \$3,997.03.

3.

That the Master has reported and certified that defendant E. G. Palmer should be held liable for a money judgment in the sum of \$737.95 and defendant H. L. Heilperin, \$737.90; whereas he should have reported and certified that even if the Government is entitled to recover the land in controversy, it is not entitled to any money judgment against these defendants.

4.

That the Master has in said report certified that these defendants should pay interest upon the amount of judgment rendered against them, at the rate of five
 85 (5%) per cent per annum from the filing of
 the report; whereas he should have certified that if any judgment is rendered against these defendants, interest should run only from the date that same is liquidated by decree of this Court.

Wherefore, defendants pray that these exceptions be sustained and that judgment be rendered in their favor accordingly.

THIGPEN & HEROLD,
 Solicitors for E. G. Palmer and Mrs.
 H. L. Heilperin.

Indorsed:—Exceptions of E. G. Palmer and Mrs. H. L. Heilperin to the Report of the Special Master. Filed January 30, 1919.

86 In the District Court of the United States for the Western District of Louisiana.

United States of America,

vs.

No. 1154.

W. W. Green, et al.

Now into this Honorable Court comes plaintiff, the United States of America, appearing herein through undersigned counsel, and excepts to the report of Hon. E. H. Randolph, Master in Chancery herein, insofar as the said report recognizes the defendants as innocent trespassers, and allows the counterclaim filed by them, for the following reasons, to-wit:

1. The Master erred in not finding and in not giving consideration to the fact that on December 15, 1908, the President of the United States, acting through the Secretary of the Interior, withdrew the land in controversy from settlement, entry or other form of appropriation in order to conserve the public interest and in aid of such legislation as might thereafter be proposed or recommended, and that said withdrawal was ratified and continued in effect by the withdrawal order issued by the President, July 2, 1910.

The evidence showing such withdrawals consists of documentary testimony offered by plaintiff in the case of the United States v. Sam W. Mason, et als., No. 1172, on the docket of this Honorable Court, being plaintiff's exhibits "A," "B," "C," "D," "E," "F-1, 2, 3, 4, 5," "G,"

"H," "I," "J," "K," "L," "M," "N," "O," "P," "Q," "R," "S," "T," which said exhibits were by agreement of counsel (record, p. 2) made a part of the record in this cause. This Court held in the said Mason case that the withdrawals included Township 20 N., Range 16 W, and prohibited mineral locations on the public lands described therein, which ruling is applicable to this suit, and was so recognized by the Master in his report.

2. As stated in the Master's report, the mineral location in this cause was made April 25, 1910. The statement prepared by James W. Neal, Special Agent of the General Land Office, sworn to by said Neal, and offered in evidence by plaintiff (plaintiff's exhibit "G" attached and bound with the original copy of the testimony herein), shows that the first work done on the land, leading to the discovery of oil, was February 24, 1912, when the well, known as "Green No. 1", was begun, and plaintiff avers that the drilling of said well, and the removal of the oil therefrom were in violation of both said withdrawal orders.

3. That drilling on withdrawn lands is in contravention of the policy of the United States, as shown by said withdrawals, to retain the oil in the ground for legislative disposition. This policy precludes a consideration of any equitable benefit to the Government from the drilling and operation of the wells.

4. There was affirmative evidence in the record showing that the defendants were not in good faith in extracting and removing the oil from the land in controversy, because the record shows that the defendants, including the Pure Oil Operating Company (which said Company

asserted counterclaim allowed by the Master), gave bonds to the Standard Oil Co. of Louisiana to protect said Company against adverse claims to the property and to the oil. The bond executed by the Pure Oil Operating Co., for sum of \$125,000.00, contains a specific agreement to indemnify and hold harmless the Standard Oil Company of Louisiana from liability to the United States of America (see bond attached to answer of the Standard Oil Company of Louisiana to the bill of complaint and answer of the said Standard Oil Company of Louisiana, to the interrogatories filed herein).

5. That the well in question was drilled by the Humphrey Oil Co., which company has made no appearance herein, and that the counterclaim filed 88 by the Pure Oil Operating Co. relates only to the cost of operation of said well, which, as aforesaid, was drilled after the issuance of said withdrawal orders.

6. That no testimony was offered by defendants, nor otherwise adduced, to show that they acted in good faith in drilling and operating the wells in question. That the defense of innocent trespass is an affirmative defense, and the defendants did not prove or attempt to approve that they extracted and removed the oil from plaintiff's land through mistake or inadvertence, nor did they show that they acted on the advice of counsel, or in the belief that they were the owners of the property. The wrongful taking of the property of another, in the absence of all other evidence, raises a presumption that the trespasser took it intentionally, wilfully or in reckless disregard of the rights of the owner, and this presumption was not overcome, nor sought to be overcome, in any manner whatever by defendants.

7. Plaintiff avers that the Master in his report states that the Standard Oil Company of Louisiana paid to the "Pierce Oil Company" as royalty the sum of \$2986.95, and that he recommended a decree against the Pierce Oil Company and the Standard Oil Company of Louisiana, in solido, for \$289.15, "being the difference between the value of production received by the Pierce Oil Co. and the counterclaim of that Company." Plaintiff shows that through error the Master referred to the Pure Oil Operating Company as the "Pierce Oil Co.," and that the Master erred in allowing the counterclaim of the Pure Oil Operating Company, amounting to \$2697.80. Plaintiff shows that the United States should recover from the Standard Oil Company of Louisiana and the Pure Oil Operating Company, in solido, the full amount paid to the Pure Oil Operating Company by the Standard Oil Company of Louisiana, without any deduction whatever.

Wherefore, plaintiff prays that these exceptions be sustained, and, accordingly, that the counterclaim filed by defendants be rejected and disallowed, and that there be a decree, in addition to the amounts allowed in the Master's report, in favor of the United States and against the Standard Oil Company of Louisiana and the Pure Oil Operating Company, in solido, in the sum of \$2986.95.

Plaintiff prays that in all other respects the said report and recommendations of the Master be confirmed and be made the decree of this Honorable Court. Prays for all orders necessary and for general relief.

ROBERT A. HUNTER,

Special Assistant to the Attorney General.

Indorsed:—Plaintiff's Exceptions to the Master's Report. Filed Jan. 30, 1919.

90 In the District Court of the United States for
the Western District of Louisiana, Shreve-
port Division.

United States of America,

vs. No. 1154 In Equity.

W. W. Green, E. G. Palmer, Mrs. Fannie B. Heilperin,
Tutrix of Natalie Heilperin, Franklin Oil & Fuel Com-
pany, Humphrey Oil Company, Pure Oil Operating
Company, Standard Oil Company of Louisiana, John
L. Hargrove.

This cause came on to be heard at this term and was
argued by counsel; and thereupon, upon consideration
thereof, it was ordered, adjudged and decreed as follows:

I. That the report filed herein January 11, 1919, by
E. H. Randolph, Special Master-in Chancery, be and the
same is hereby approved and confirmed; and, according-
ly:

II. That the land described in the bill of complaint,
namely, Lot Three (3), of Section Three (3), and Lots
Four (4) and Five (5), of Section Four (4), in Town-
ship Twenty (20) North, Range Sixteen (16) West, Lou-
isiana Meridian, Louisiana, situated in the Parish of Cad-
do, Western District of Louisiana, containing twenty-five
and ninety-one hundredths (25.91) acres, as shown by
plat of survey approved March 28, 1917, by Clay Tallman,
Commissioner of the General Land Office and ex-officio
Surveyor General for the State of Louisiana, be and the
same are hereby decreed to have been at all times from
and after December 15, 1908, lawfully withdrawn from
settlement, entry, location, sale or other form of appropri-
ation under the public land or mineral laws of the United
States.

III. That the mineral location made by W. W. Green, recorded May 9, 1910, in Book 59, page 431, of the Conveyance records of the Parish of Caddo, State of Louisiana, and the lease of the land therein described by the said W. W. Green, December 27, 1911, to J. G. Johns, and the transfer of said lease by J. G. Johns to the Humphrey Oil & Gas Company, as well as any other mineral location, lease, deed, transfer, or other instrument of writing, under which the said defendants may claim the said land, be and the same are declared null, void and held for naught, insofar as the said mineral locations, leases and other instruments of writing, may include directly or indirectly the above described property, and, to that extent, the said mineral locations, leases and transfers are annulled and shall be cancelled.

IV. That the land above described shall be, and the same hereby is, adjudged and decreed to be the perfect property of plaintiff, the United States of America, free and clear of all claims of the said defendants, or any of them, and that the possession of the said land shall be restored to plaintiff.

V. That the said defendants, namely, W. W. Green, E. G. Palmer, John L. Hargrove, Mrs. Fannie B. Heilperin, Tutrix of Natalie Heilperin, Franklin Oil & Fuel Company, Pure Oil Operating Company, Standard Oil Company of Louisiana, shall be and they, and each of them, are hereby finally and perpetually enjoined from setting up any claim to said land, or any part thereof and from creating any cloud upon plaintiff's title to the same, or to any of the oil, gas or minerals, on or under the same, and from going upon said land, or in any manner using the same, or extracting oil or other minerals therefrom,

and, accordingly, that a writ of injunction issue restraining, enjoining and prohibiting the said defendants, and each of them, from committing the acts aforesaid, and from in any manner trespassing upon said land.

VI. That the United States of America do have and recover of the Standard Oil Company of Louisiana, and the said defendant is hereby condemned and ordered to pay to plaintiff, the full sum of Five Thousand, One Hundred and Ninety-nine and 58/100 (\$5,199.58) Dollars, together with five per cent per annum interest thereon from January 11, 1919, until paid.

VII. That the United States of America do have and recover of and from the Pure Oil Operating Company and the Standard Oil Company of Louisiana, in solido, and the said defendants are hereby condemned and
92 ordered to pay to plaintiff, the full sum of Two Hundred and Eighty-nine and 15/100 (\$289.15) Dollars, together with five per cent per annum interest thereon from January 11, 1919, until paid.

VIII. That the United States of America do have and recover of and from the Standard Oil Company of Louisiana and the Franklin Oil & Fuel Company, in solido, and the said defendants are hereby condemned and ordered to pay to plaintiff, the full sum of Six Hundred and Ninety and 03/100 (\$690.03) Dollars, together with five per cent per annum interest thereon from January 11, 1919, until paid.

IX. That the United States of America do have and recover of and from the Standard Oil Company of Louisiana and Mrs. Fannie B. Heilperin, Tutrix of Natalie Heilperin, in solido. and the said defendants are hereby

condemned and ordered to pay to plaintiff, the full sum of Seven Hundred and Thirty-seven and 90/100 (\$737.90) Dollars, together with five per cent per annum interest thereon from January 11, 1919, until paid.

X. That the United States of America do have and recover of and from the Standard Oil Company of Louisiana and W. W. Green, in solido, and the said defendants are hereby condemned and ordered to pay to plaintiff, the full sum of Six Hundred and Ninety and 10/100 (\$690.10) Dollars, together with five per cent per annum interest thereon from January 11, 1919, until paid.

XI. That the United States of America do have and recover of and from the Standard Oil Company of Louisiana and E. G. Palmer, in solido, and the said defendants are hereby condemned and ordered to pay to plaintiff, the full sum of Seven Hundred and Thirty-seven and 95/100 (\$737.95) Dollars, together with five per cent per annum interest thereon from January 11, 1919, until paid.

XII. That the said defendants be and they are hereby ordered, directed and required to make a full, true and accurate accounting to plaintiff of all oil extracted from said land since January 1, 1918, and to pay to plaintiff the value thereof, as ascertained by said accounting, together with all rents and royalties derived therefrom, and that all of plaintiff's rights to recover the oil produced from said land by the defendants since January 1, 1918, be reserved.

XIII. That the said defendants be, and they are hereby, condemned and ordered to pay all the costs of this suit.

XIV. That pending delivery thereof to the United States of America, John H. Eastham, a resident of Shreveport, Louisiana, be and he is hereby appointed receiver to take possession of said land and of all wells, improvements and drilling paraphernalia thereon, and any other property and instrumentalities on said land, used for the purpose of drilling and extracting, storing and transporting oil, with full power and authority to continue operations on said land in the production and sale of oil, gas and other minerals, from existing wells, and to do and perform such acts as may be necessary to protect the property of plaintiff against injury and waste and for the preservation thereof. The defendants are hereby ordered, commanded and required to surrender and deliver to said receiver the possession of said land and the aforesaid property, wells and instrumentalities thereon, upon the approval of said receiver's bond by the Clerk of this Court. The said receiver shall, within 90 days from the date of this decree, furnish bond, with good and solvent surety, to be approved by the Clerk of the United States District Court in and for the Western District of Louisiana, in the sum of One Thousand (\$1000.00) Dollars, which said bond may hereafter be increased, or reduced, as the Court may direct, and shall be conditioned for the faithful performance of his duties and the rendition by him of a true and correct accounting and payment of all money, oil or other property that may come into his hands as receiver. The said receiver shall surrender possession of said land and of all the property that may come into his custody hereunder, and shall account for and pay over to the United States of America, upon demand, or on order of the Court, all oil or money received by him in his aforesaid capacity. Jurisdiction of this cause is retained by the Court to supervise, direct and

control the acts of the said receiver, to obtain such accounting from the said receiver as the Court may order, to require the delivery to the United States of such land and property, and the accounting and payment to be made by the receiver, and generally for all purposes in connection with said receivership, with full reservation of the power to discharge or remove said receiver and to appoint another receiver, or receivers, and to do and perform such other acts, in relation to the administration of said receiver, and the termination of said receivership, and to issue such further orders in the premises, as the Court may deem necessary.

XV. That the rights of the Standard Oil Company of Louisiana against its warrantors be, and the same are hereby reserved.

Thus done, read and signed in open Court this 4th day of August, 1918.

RUFUS E. FOSTER,
United States Judge.

Indorsed :—Decree. Filed Aug. 12, 1919.
B.

95 In the District Court of the United States for
 the Western District of Louisiana.

United States of America, Plaintiff,
vs. No. 1154 In Equity.
W. W. Green, et al., defendants.

The petition of E. G. Palmer, Mrs. H. L. Heilperin, individually and as tutrix, Pure Oil Operating Company, defendants herein, shows:

1.

That they are aggrieved by the decree entered herein and signed by your Honor on the day of August, 1919, wherein the Pure Oil Operating Company is condemned to pay to the plaintiff the sum of Two Hundred and Eighty-nine & $15/100$ (\$289.15) Dollars, together with five per cent per annum interest thereon from January 11th, 1919, and your defendants, E. G. Palmer and Mrs. H. L. Heilperin the sums of Seven Hundred and Thirty-seven & $95/100$ (\$737.95) and Seven Hundred and Thirty-seven & $90/100$ (\$737.90) Dollars, respectively, with like interest, in solido with the Standard Oil Company of Louisiana; and avers that error has been committed in the rendering of the said decree in this, to-wit:

2.

That the Court erred in confirming the report of the Master to the effect that the cost of operating the well in controversy, upon the part of the Pure Oil Operating Company under its agreement with its co-defendants, Heilperin and Palmer, amounted to Twenty-six Hundred and Ninety-seven & $80/100$ (\$2,697.80) Dollars, whereas according to the uncontradicted testimony of the special agent, James W. Neal, as shown on page 6 of the note of evidence, such cost amounted to Thirty-nine Hundred and Ninety-Seven & $3/100$ (\$3,997.03) Dollars, which said amount the defendants were entitled to offset as against the value of the oil produced from said well, instead of said sum of \$2,697.80.

3.

And defendants, Heilperin and Palmer, show that the Court erred in holding them liable in any amount when

the cost of drilling, equipping and operating the said well, according to the uncontradicted testimony, exceeded the value of the oil extracted therefrom.

Wherefore, petitioners pray for a rehearing of this cause, submitting themselves to any order that may be made by your Honor should the petition be finally denied.

THIGPEN & HEROLD,

Solicitors for Defendants.

ORDER.

Let the above petition be filed and let the plaintiff, through its solicitor, show cause before me on the first day of the next terms of Court in Shreveport, Louisiana, why the prayer of the petition should not be granted.

RUFUS E. FOSTER,

United States District Judge.

August 4, 1919.

Indorsed :—Petition for Rehearing. Filed Aug. 13, 1919.

97

714.

Chancery Order Book.

Vol. 5.

United States District Court for the Western District of Louisiana.

New Orleans, Louisiana, December 4th, 1919.

United States of America,

vs.

No. 1154 In Equity.

W. W. Green, et al.

In this cause the Motion for Re-hearing which was heretofore filed, came on this day for hearing before Hon.

Rufus E. Foster, the plaintiff being represented by Robert A. Hunter, and the Defendant by S. I. Herold, after argument, and consideration by the Court,

It is ordered, that this Motion be overruled.

98 In the District Court of the United States for
 the Western District of Louisiana.

United States of America,

vs. No. 1154 In Equity.

W. W. Green, et al.

To the Honorable, the Judge of the District Court of
the United States, for the Western District of Louisiana:

Now into this Honorable Court comes the United States of America, plaintiff in the above numbered and entitled cause, and, with respect, represents:

That on August 4, 1919, this Court entered a final decree in said cause, and that in said decree there was, in part, error greatly to the prejudice and injury of plaintiff, as will more fully appear by the assignment of errors filed herewith. Plaintiff desires to take an appeal from said decree to the United States Circuit Court of Appeals of the Fifth Circuit.

Wherefore, it is prayed that an appeal may be allowed to plaintiff in this cause from this Court to the United States Circuit Court of Appeals for the Fifth Circuit,

and that proper orders for the allowance of such appeal may be made by this Court.

ROBERT A. HUNTER,
Special Assistant to the Attorney
General.

99

ORDER.

The foregoing petition for an appeal (with assignment of errors attached) being considered:

It is ordered that the United States of America, Plaintiff in the above numbered and entitled cause, be and is hereby granted and allowed an appeal herein, from this Court to the United States Circuit Court of Appeals for the Fifth Circuit, in accordance with law and with the rules of said United States Circuit Court of Appeals.

Thus done and signed this 1st day of January, 1920.

RUFUS E. FOSTER,
United States Judge.

ASSIGNMENT OF ERRORS ON PLAINTIFF'S AP-
PEAL.

100 In the District Court of the United States for
the Western District of Louisiana.

United States of America,
vs. No. 1154 In Equity.
W. W. Green, et al.

Now comes plaintiff, the United States of America, and in connection with its petition for an appeal herein, presents this, its assignment of errors, and says

that the decree entered herein August 4, 1919, is erroneous in the following particulars, to-wit:

I.

The Court erred in allowing as an offset against the value of the oil extracted and removed from the land in controversy, the counterclaim of the Pure Oil Operating Company for costs and expenses incurred in producing said oil, and in not entering a decree in favor of plaintiff for the total value of said oil.

II.

The Court erred in allowing to said defendant, as an off-set or counterclaim, the cost of the production of said oil and in not entering a decree in favor of plaintiff for the full value of the oil extracted and removed from the land in controversy, because the said land had been withdrawn from any appropriation whatever by orders of the President of the United States, dated respectively, December 15, 1908, and July 2, 1910, which orders were issued for the purpose of conserving the public interest and in aid of pending and proposed legislation. The said well was drilled after the issuance of both of said withdrawal orders, in violation thereof, and in contravention of the policy of the United States, to protect the public
 101 interest and to retain the oil in the ground for legislative disposition, which fact precludes the consideration of any equitable benefit to the United States from the drilling and operation of said well.

III.

The Court erred in allowing the said offset or counterclaim because the evidence shows that the defendants acted in bad faith in extracting and removing said oil.

IV.

Wherefore, plaintiff prays that the said decree be reversed insofar as it allows the said offset or counterclaim of the Pure Oil Operating Company, and that a decree be rendered and entered in favor of plaintiff herein for the full value of the oil extracted and removed from said land, as shown by the report of the Master in Chancery, or, in default of such relief, that the cause be remanded to the District Court with instructions to enter a decree in favor of plaintiff, and against Defendants, for the full value of said oil, without offset or deduction of any kind.

Plaintiff further prays that in all other respects the said decree be affirmed.

ROBERT A. HUNTER,
Special Assistant to the Attorney
General.

Indorsed:—Plaintiff's Petition for Appeal, Order Allowing Same and Assignment of Errors. Filed Jan. 3, 1920.

102 STIPULATION OF COUNSEL.

In the District Court of the United States for the Western District of Louisiana.

United States of America,

vs.

No. 1154.

W. W. Green, et al.

Counsel for plaintiff and defendants do hereby enter into the following stipulation relative to the contents of the record on appeal, in the above numbered and entitled cause:

Whereas, this cause, together with suits numbered, viz: 1156, 1159, 1168, 1170 and 1171, were consolidated in the District Court for trial with the case entitled United States vs. Sam W. Mason, et al., No. 1172, on the docket of said Court, which suit has likewise been appealed to the United States Circuit Court of Appeals for the Fifth Circuit; and

Whereas, in order to reduce the size of the several transcripts counsel have agreed that the record on appeal in the said cause (No. 1172, United States v. Sam W. Mason, et al.) shall contain and include certain testimony, exhibits, the Master's report, and the opinion of the Court in full, which testimony, exhibits, report and opinion are applicable to all of the cases so consolidated; and

Whereas, counsel have agreed to incorporate in the transcript in this cause only the pleadings, exhibits and other matters specially applicable to this suit; now, therefore:

It is stipulated that the transcript of appeal in the said cause, entitled United States v. Sam W. Mason, et al., No. 1172, on the docket of the United States District Court for the Western District of Louisiana, shall be a part of the record on appeal in this suit, and shall be applicable thereto.

To avoid the inclusion in the transcript of the plats, land office records and other exhibits offered by
 103 plaintiff for the purpose of proving its ownership of the land in dispute, and the survey thereof, and as supplementing the admissions in the record, it is stipulated that the tract in controversy was embraced in a mineral location filed by defendants, on the date as alleged in the bill of complaint, and that at the time said location was made the said tract was public land of the United States, the defendants claiming under the

United States only and through the said mineral location.

It is stipulated that the mineral location and lease set forth in the bill of complaint were made and filed at the time, as alleged in said bill.

It is stipulated that the Clerk shall prepare the transcript of appeal in this cause and shall copy into and incorporate therein the following, to-wit:

1. Bill of Complaint.
2. Answer of Pure Oil Operating Company.
3. Answer of E. G. Palmer, Mrs. Fannie B. Heilperin, Tutrix of Natalie Heilperin.
4. Answer of Standard Oil Company of Louisiana, including bonds and other exhibits thereto annexed.
5. Plaintiff's reply to set-off and counterclaim.
6. Amended answer of Pure Oil Operating Company.
7. Plaintiff's reply to counterclaim set up in defendant's amended answer.
8. Standard Oil Company's motion to strike out interrogatories.
9. Interrogatories propounded by plaintiff.
10. Answer of Standard Oil Company to interrogatories.
11. Motion to take bill pro confesso as to John L. Hargrove, Franklin Oil & Fuel Co., and W. W. Green, and order thereon.

12. Motion to dismiss as to the Standard Oil Company of Louisiana.

13. Order showing overruling of Motion to Dismiss.

14. Order appointing E. H. Randolph Special Master.

15. Statement marked "Plaintiff G" prepared and identified by James W. Neal, Special Agent of the General Land Office, showing quantity and value of oil, royalties paid, and cost of operating well in suit, together with all other information given in said statement.

104 16. Answer of Pure Oil Operating Company to interrogatories.

17. Answer of E. G. Palmer to interrogatories.

18. Answer of Mrs. Fannie B. Heilperin to Interrogatories.

19. Exception of Standard Oil Company to report of Special Master.

20. Exception of the Pure Oil Operating Company to report of Special Master.

21. Exceptions of E. G. Palmer, and Mrs. H. L. Heilperin to report of Special Master.

22. Plaintiff's exceptions to the Master's report.

23. Decree.

24. Petition for rehearing.

25. Order of Court overruling petition for rehearing.
26. Plaintiff's petition for appeal, order allowing same and assignment of errors.
27. This stipulation.

Thus done and signed this 12th day of May, 1920.

ROBERT A. HUNTER,
Attorney for Plaintiff.

J. C. PUGH,
THIGPEN & HEROLD,
Attorneys for Defendants.

Filed May 14, 1920.

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CERTIFICATE.

I, W. B. LEE, Clerk of the District Court of the United States for the Western District of Louisiana, Fifth Circuit, do hereby certify that the foregoing one hundred and four pages contain and form a full, true, correct and complete transcript of the record, assignment of errors and all proceedings had in a cause entitled, United States of America, Plaintiff, vs. W. W. Green, et al., Defendants, No. 1154 on the Equity Docket of said Court, as fully as the same remains on file and of record in my office at Shreveport, Louisiana, the said transcript having been prepared in accordance with stipulation of counsel, copy of which accompanies this transcript.

Witness my hand officially and the Seal of said Court at the City of Shreveport, Louisiana, on this 19 day of May, A. D. 1920.

(Seal)

W. B. LEE, Clerk U. S. District Court,
for the Western District of Louisiana.

Citation omitted from the printed record, being copied in the original.

• • • • •

And that thereafter the following proceedings were had in said cause in the United States Circuit Court of Appeals for the Fifth Circuit, viz:

Argument and Submission.

Extract from Minutes of February 24, 1921.

No. 3541.

THE UNITED STATES OF AMERICA
versus

W. W. GREEN et als.

On this day this cause was called, and, after argument by Robert A. Hunter, Esq., Special Assistant to the Attorney General, for appellant, and S. L. Herold, Esq., for appellees, was submitted to the Court.

Opinion of the Court.

Filed May 17th, 1921.

In the United States Circuit Court of Appeals, Fifth Circuit.

No. 3541.

THE UNITED STATES OF AMERICA, Appellant,
versus

W. W. GREEN et als., Appellees.

Appeal from the District Court of the United States for the Western District of Louisiana.

Robert A. Hunter, Special Assistant to the Attorney General, for Appellant.

S. L. Herold and J. A. Thigpen, for Appellees.

No. 3542.

HENRY HUNSICKER et als., Appellants and Cross-Appellees,
versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Appeal and Cross-appeal from the District Court of the United States for the Western District of Louisiana.

Hampden Story, for Appellants and Cross-Appellees.

Robert A. Hunter, Special Assistant to the Attorney General, for Appellee and Cross-Appellant.

No. 3543.

THE UNITED STATES OF AMERICA, Appellant,

versus

ARKANSAS NATURAL GAS COMPANY et als., Appellees.

Appeal from the District Court of the United States for the Western District of Louisiana.

Robert A. Hunter, Special Assistant to the Attorney General, for Appellant.

S. L. Herold and J. A. Thigpen, for Appellees.

No. 3544.

B. R. NORVELL et als., Appellants and Cross-Appellees,

versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Appeal and Cross-appeal from the District Court of the United States for the Western District of Louisiana.

S. L. Herold and J. A. Thigpen, for Appellants and Cross-Appellees.

Robert A. Hunter, Special Assistant to the Attorney General, for Appellee and Cross-Appellant.

No. 3545.

W. H. MATTHEWS et als., Appellants and Cross-Appellees,

versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Appeal and Cross-appeal from the District Court of the United States for the Western District of Louisiana.

S. L. Herold and J. A. Thigpen, for Appellants and Cross-Appellees.

Robert A. Hunter, Special Assistant to the Attorney General, for Appellee and Cross-Appellant.

No. 3546.

DILLARD P. EUBANK et als., Appellants and Cross-Appellees,
versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Appeal and Cross-appeal from the District Court of the United States
for the Western District of Louisiana.

S. L. Herold and J. A. Thigpen, for Appellants and Cross-Appel-
lees.

Robert A. Hunter, Special Assistant to the Attorney General, for
Appellee and Cross-Appellant.

No. 3547.

LYDIA HANSZEN McMULLEN et als., Appellants and Cross-Appellees,
versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Appeal and Cross-appeal from the District Court of the United States
for the Western District of Louisiana.

S. L. Herold and J. A. Thigpen, for Appellants and Cross-Appel-
lees.

Robert A. Hunter, Special Assistant to the Attorney General, for
Appellee and Cross-Appellant.

Before Walker, Bryan, and King, Circuit Judges.

WALKER, *Circuit Judge*:

Each of these cases is so far like the case of Mason, et al., v. United States, MS. U. S. Circuit Court of Appeals, Fifth Circuit, that the opinion rendered in the cited case sufficiently discloses the grounds relied on to support the decisions now announced. The decree in each of these cases is affirmed in so far as it was in favor of the plaintiff below, and is reversed in so far as it credited the defendants below or any of them with drilling and operating costs incurred, and the cases are remanded, with direction that the accounting and the decrees be conformed to the views expressed in the opinion above referred to.

Affirmed in part.

Reversed in part.

1
3
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Judgment.

Extract from Minutes of May 17th, 1921.

No. 3541.

THE UNITED STATES OF AMERICA

versus

W. W. GREEN et als.

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Western District of Louisiana, and was argued by counsel;

On consideration whereof, It is now here ordered, adjudged and decreed by this Court, that the decree of the said District Court in this cause, be, and the same is hereby affirmed in so far as it was in favor of the plaintiff in the said District Court; and that the said decree be, and it is hereby reversed in so far as it credited the defendants in the said District Court, or any of them, with drilling and operating costs incurred; and that this cause be, and it is hereby remanded to the said District Court for further proceedings in conformity to the opinion of this Court.

Petition for Appeal and Order Allowing Same.

Filed June 9th, 1921.

United States Circuit Court of Appeals for the Fifth Circuit.

No. 3541.

THE UNITED STATES OF AMERICA, Appellant,

versus

W. W. GREEN et als., Appellees.

To the Honorable the Judges of the United States Circuit Court of Appeals for the Fifth Circuit:

E. G. Palmer, Mrs. Fannie B. Heilperin, tutrix of Natalie Heilperin, Pure Oil Operating Company, and Standard Oil Company of Louisiana, appellees, feeling themselves aggrieved by the opinion and decree herein made and entered in this cause on the 17th day of May, 1921, do hereby appeal from said decree to the Supreme Court of the United States, for the reasons specified in the assignment of errors filed herein, and now pray that their said appeal be allowed with supersedeas, and that citation issue as provided by law, and that a transcript of the records, proceedings and papers on which

said decree was based, duly authenticated, may be sent to the Supreme Court of the United States in the manner provided by law.

And your petitioners pray that the proper order touching the security to be required of them to perfect said appeal be made.

(Signed)

J. A. THIGPEN,

(Signed)

S. L. HEROLD,

Solicitors for E. G. Palmer, Mrs. Fannie B. Heilperin, Tutrix of Natalie Heilperin, Pure Oil Operating Company, and Standard Oil Company of Louisiana.

Order.

Let the foregoing petition be granted, and the appeal allowed to operate as a supersedeas, upon the petitioners giving bond, conditioned as required by law, in the sum of Sixteen Thousand Five Hundred Dollars (\$16,500).

June 7th, 1921.

(Signed)

R. W. WALKER,

Judge U. S. Circuit Court of Appeals.

Motion and Order for Severance.

Filed June 9th, 1921.

United States Circuit Court of Appeals for the Fifth Circuit.

No. 3541.

THE UNITED STATES OF AMERICA, Appellant,

versus

W. W. GREEN et als., Appellees.

To the Honorable the Judges of the United States Circuit Court of Appeals for the Fifth Circuit:

E. G. Palmer, Mrs. Fannie B. Heilperin, Tutrix of Natalie Heilperin, Pure Oil Operating Company, and the Standard Oil Company of Louisiana, respectfully represent:

That they are condemned by opinion and decree herein made and entered on the 17th day of May, 1921, from which decree they desire to appeal.

That the other defendants herein are non-residents and have never made appearance herein, and that your petitioners are unable to ascertain from them whether or not they desire to appeal, and that petitioners' right to appeal should not be affected by the inaction of said other defendants, with whom they are not in privity.

Wherefore, they move and pray the Court to order a severance herein, so that they may prosecute their appeals.

(Signed)

(Signed)

(Signed)

J. A. THIGPEN,

S. L. HEROLD,

T. M. MILLING,

Solicitors for E. G. Palmer, Mrs. Fannie B. Heilperin, Tutrix of Natalie Heilperin, Pure Oil Operating Company, and Standard Oil Co. of Louisiana.

Order.

It is hereby ordered that a severance herein be granted, and that the above named petitioners are permitted to prosecute their appeal without joinder by the other defendants.

June 7th, 1921.

(Signed)

R. W. WALKER,

Judge United States Circuit Court of Appeals.

Assignment of Errors.

Filed June 9th, 1921.

United States Circuit Court of Appeals for the Fifth Circuit.

No. 3541.

THE UNITED STATES OF AMERICA, Appellant,

versus

W. W. GREEN et als., Appellees.

And now come E. G. Palmer, Mrs. Fannie B. Heilperin, tutrix of Natalie Heilperin, Pure Oil Operating Company, and Standard Oil Company of Louisiana, appellees (defendants in the District Court), and say that the opinion and decree filed herein on the 17th day of May, 1921, is erroneous and is unjust to them; and, for specification of such errors, they show:

First.

The Court erred in holding that the executive order of December 15th, 1908, withdrawing from settlement and entry or other form of appropriation the public lands in certain townships (including the township wherein the property in controversy is located) was a withdrawal from location under the placer mining laws.

Second.

The Court erred in holding that the defendants were not entitled to hold, occupy, possess and operate the property in controversy as a placer mining location with the right to all the oil produced therefrom.

Third.

The Court erred in holding defendants to be trespassers.

Fourth.

The Court erred in holding that defendants are liable for the value of the oil extracted from the property.

Fifth.

The Court erred in holding (after erroneously condemning defendants for the value of the oil taken from the land) that defendants are not entitled to deduct therefrom the amount of expenses actually incurred in producing such oil.

Sixth.

The Court erred in holding that defendants did not act in good faith.

Seventh.

The Court erred in holding that defendants' acting upon advice of counsel under the circumstances of this case did not entitle them to allowance for the expenses actually incurred in producing the oil, for the value of which they are here condemned by said judgment.

Eighth.

The Court erred in reversing, without any evidence to sustain such conclusion, the concurrent findings of the Master and the District Judge that the advice of counsel, upon which defendants relied in operating the property in controversy, was the opinion generally entertained by the Bar and was given by competent counsel under such circumstances as to have entitled defendants to rely thereon.

Ninth.

The Court erred in holding that defendants' operations upon the property were wrongful acts, committed under such circumstances as to be regarded as a wilful taking of plaintiff's property.

Tenth.

The Court erred in refusing to determine the right of the defendants to deductions for the expense actually incurred in producing the oil according to the law of Louisiana.

. Eleventh.

The Court erred in refusing to apply to this case the provisions of Article 501 of the Civil Code of Louisiana and the settled jurisprudence thereunder.

Twelfth.

The Court erred in holding that the substantial right of defendants to deduct expenses actually incurred by them in the production from land in Louisiana of oil, for the value of which plaintiff is awarded judgment, is not to be determined by the Federal Courts sitting in Louisiana according to the Code or settled jurisprudence of that State.

Thirteenth.

The Court erred in not reversing the decree of the District Court, which refused to deduct, as an expense of operation of the Pure Oil Operating Company, the amount of oil delivered by it to its co-defendants as royalty.

Fourteenth.

The Court erred in allowing interest from the date of the Master's report.

Fifteenth.

The Court erred in not reversing the judgment of the District Court which, under a manifest error, adjudged the costs of operating the well in controversy to be \$2,697.80, whereas, according to the uncontradicted testimony of the Special Agent of the Interior Department, as shown on page 6 of the note of evidence, such cost amounted to \$3,997.03, which said amount the defendants were entitled to deduct from the value of the oil produced from the well in controversy; and, such cost being in excess of the value of the oil extracted, to be relieved from any pecuniary liability.

Wherefore, the defendants pray that the said decree be reversed and for general relief.

(Signed)

(Signed)

J. A. THIGPEN,

S. L. HEROLD,

Solicitors for Defendants.

Appeal Bond.

Filed June 9th, 1921.

In the United States Circuit Court of Appeals, Fifth Circuit.

No. 3541.

THE UNITED STATES OF AMERICA, Appellant,
versus

E. G. PALMER, Mrs. FANNIE B. HEILPERIN, tutrix of NATALIE HEILPERIN, Pure Oil Operating Company, and Standard Oil Company of Louisiana, Appellees.

Know all men by these presents, That we, E. G. Palmer, Mrs. Fannie B. Heilperin, Tutrix of Natalie Heilperin, Pure Oil Operating Company and Standard Oil Company of Louisiana, as principals and National Surety Company, as surety, are held and firmly bound

unto and in favor of the United States of America, appellee, in the above cause, in the full sum of Sixteen Thousand Five Hundred (\$16,500.00) Dollars, for the payment of which well and truly to be made, we hereby bind ourselves, our successors and legal representatives firmly and in solido.

Dated at New Orleans, La., on this the 30th day of May, 1921.

The condition of the above obligation is such that,

Whereas, on the 17th day of May, 1921, in the United States Circuit Court of Appeals for the Fifth Circuit, in a suit pending in that Court wherein the United States of America was appellant, and W. W. Green, E. G. Palmer, Mrs. Fannie B. Heilperin, John L. Hargrove, Franklin Oil & Fuel Company, Humphrey Oil Company, Pure Oil Operating Company and the Standard Oil Company of Louisiana were appellees, numbered on the Equity Docket 3541, a decree was rendered and signed and filed, affirming the decree of the District Court in so far as it was in favor of the plaintiff below, and reversing same in so far as it credited the defendants below or any of them with drilling and operating costs incurred, and remanding the case with direction that the accounting and the decree be conformed to the views expressed in the opinion handed down on the said 17th day of May, 1921, in the case of Sam W. Mason et al. vs. United States, No. 3548 on the docket of the United States Circuit Court of Appeals for the Fifth Circuit; and the said E. G. Palmer, Mrs. Fannie B. Heilperin, Tutrix of Natalie Heilperin, Pure Oil Company and Standard Oil Company of Louisiana have obtained an appeal with supersedeas to the United States Supreme Court.

Now if the said E. G. Palmer, Mrs. Fannie B. Heilperin, Tutrix of Natalie Heilperin, Pure Oil Operating Company, and Standard Oil Company of Louisiana shall prosecute such appeal to effect, and answer all damages and costs if they fail to make their plea good, then the above obligation to be void; otherwise to remain in full force and effect.

(Signed)

E. G. PALMER,
By S. L. HEROLD,

Attorney.

(Signed)

MRS. FANNIE B. HEILPERIN,
Tutrix of Natalie Heilperin,
By S. L. HEROLD,

Attorney.

(Signed)

PURE OIL OPERATING COMPANY,
By S. L. HEROLD,

Attorney.

(Signed)

STANDARD OIL COMPANY OF LA.,
By T. M. MILLING,

Attorney.

(Signed)

NATIONAL SURETY COMPANY,
By LOUIS COIRON,

Res. Vice-President.

Attest:

(Signed)

LOUIS VALE,

[SEAL.]

Res. Asst. Secty.

Approved this 7th day of June, 1921.
(Signed)

R. W. WALKER,
United States Circuit Judge.

Clerk's Certificate.

UNITED STATES OF AMERICA :

United States Circuit Court of Appeals, Fifth Circuit.

I, Frank H. Mortimer, Clerk of the United States Circuit Court of Appeals for the Fifth Circuit, do hereby certify that the pages numbered from 133 to 143 next preceding this certificate, contain full, true and complete copies of all the pleadings, record entries and proceedings, including the opinion of the United States Circuit Court of Appeals for the Fifth Circuit, in a certain cause in said Court, numbered 3541, wherein The United States of America is appellant, and W. W. Green and others are appellees, as full, true and complete as the originals of the same now remain in my office.

I further certify that the pages of the printed record, numbered from 1 to 132, are identical with the printed record upon which said cause was heard and decided in the said Circuit Court of Appeals.

In testimony whereof, I hereunto subscribe my name, and affix the seal of the said Circuit Court of Appeals, at my office in the City of New Orleans, Louisiana, in the Fifth Circuit, this 21st day of June, A. D. 1921.

[Seal United States Circuit Court of Appeals, Fifth Circuit.]

FRANK H. MORTIMER,
Clerk of the United States Circuit Court of Appeals.

THE UNITED STATES OF AMERICA :

The President of the United States to the United States of America,
Greeting:

You are hereby cited and admonished to be and appear at a Supreme Court of the United States at Washington, D. C., within thirty days from the date hereof, pursuant to a petition and order for appeal sued out and filed in the Clerk's Office of the United States Circuit Court of Appeals for the Fifth Circuit, in the cause wherein The United States of America is appellant, and W. W. Green, E. G. Palmer, Mrs. Fannie B. Heilperin, Tutrix, John L. Hargrove, Franklin Oil & Fuel Co., Humphrey Oil Co., Pure Oil Operating Co., and Standard Oil Co. of La., are appellees, No. 3541 of the Docket of said Circuit Court of Appeals to show cause, if any there be, why the Decree rendered against the said E. G. Palmer, Mrs. Fannie B. Heilperin, Tutrix of Natalie Heilperin, Pure Oil Operating Company and the Standard Oil Company of Louisiana, as in said petition and order for appeal mentioned, should not be cor-

rected, and why speedy justice should not be done to the parties in that behalf.

Witness, the Honorable Joseph McKenna, Senior Associate Justice of the United States, this 7th day of June in the year of our Lord one thousand nine hundred and twenty-one.

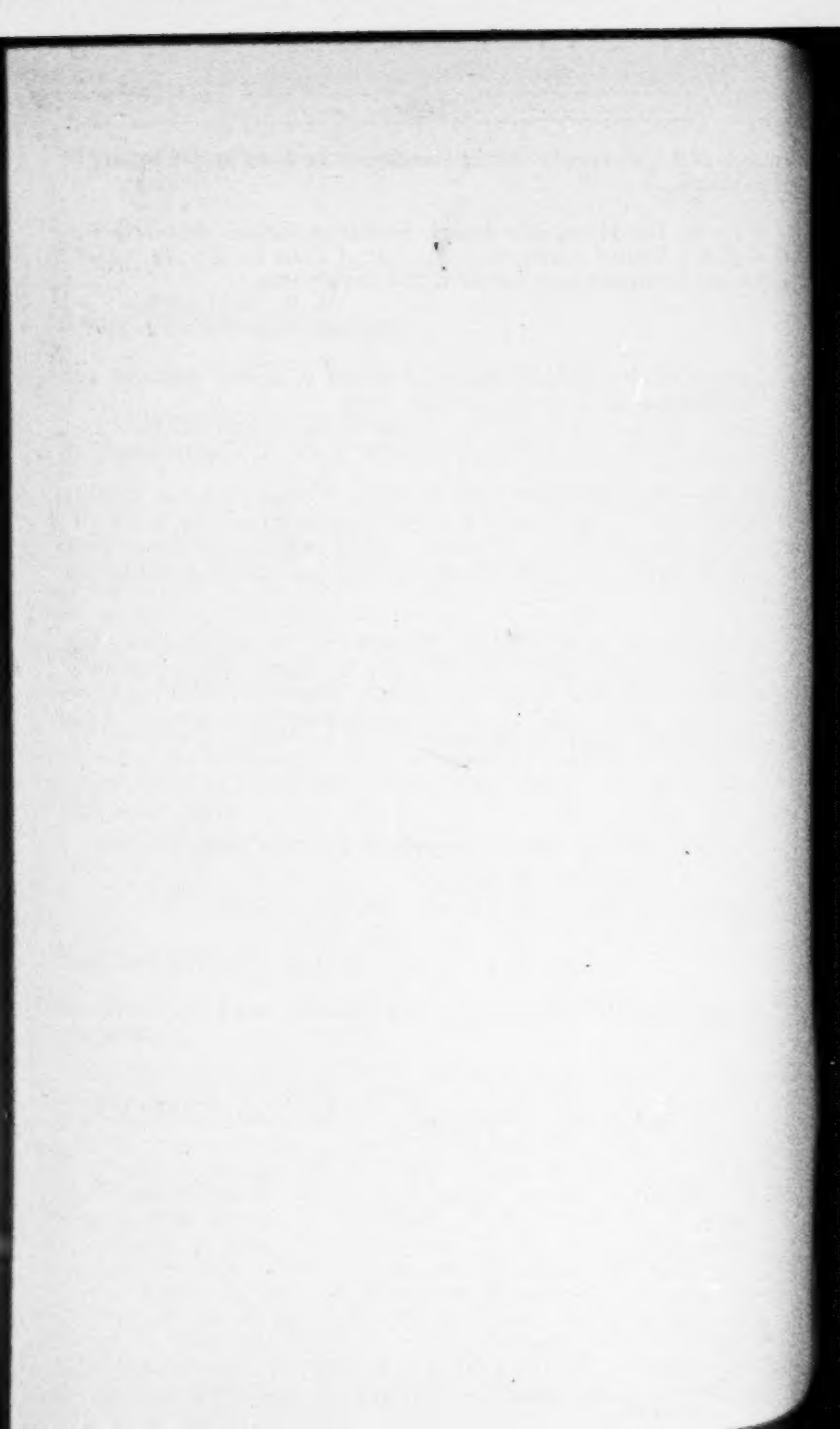
R. W. WALKER,
United States Circuit Judge.

Service of the within citation of appeal is hereby accepted and acknowledged this 11th day of June, 1921.

ROBERT A. HUNTER,
Special Assistant to the Attorney General.

[Endorsed:] No. 3541. United States Circuit Court of Appeals, Fifth Circuit. The United States of America, Appellant, vs. W. W. Green et als, Appellees. Citation. Filed 13th day of June, 1921. Frank H. Mortimer, Clerk of the United States Circuit Court of Appeals.

Endorsed on cover: File No. 28,348. U. S. Circuit Court Appeals, 5th Circuit. Term No. 393. E. G. Palmer, Mrs. Fannie B. Heilperin, Tutrix of Natalie Heilperin, Pure Oil Operating Company, et al., appellants, vs. The United States of America. Filed July 2d, 1921. File No. 28,348.



(28,349)

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1921.

No. 394.

ARKANSAS NATURAL GAS COMPANY, SAM W. MASON,
MRS. LYDIA HANSZEN MACMULLEN, ET AL., APPEL-
LANTS,

vs.

THE UNITED STATES OF AMERICA.

APPEAL FROM THE UNITED STATES CIRCUIT COURT OF APPEALS
FOR THE FIFTH CIRCUIT.

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UNITED STATES OF AMERICA:

United States Circuit Court of Appeals, Fifth Judicial Circuit.

Pleas and proceedings had and done at a regular term of the United States Circuit Court of Appeals for the Fifth Circuit, begun on the third Monday in November, A. D. 1920, at New Orleans, Louisiana, before the Honorable Richard W. Walker, the Honorable Nathan P. Bryan, and the Honorable Alex. C. King, Circuit Judges.

THE UNITED STATES OF AMERICA, Appellant,

versus

ARKANSAS NATURAL GAS COMPANY, SAM W. MASON, Mrs. LYDIA HANSZEN McMULLEN, J. A. McMullen, and Harry S. Grayson, Appellees.

Be it remembered, That heretofore, to-wit, on the 25th day of May, A. D., 1920, a transcript of the above styled cause, pursuant to an appeal from the District Court of the United States for the Western District of Louisiana, was filed in the office of the Clerk of said United States Circuit Court of Appeals for the Fifth Circuit, which said transcript was filed and docketed in said Circuit Court of Appeals as No. 3543, as follows:



UNITED STATES DISTRICT COURT, WESTERN
DISTRICT OF LOUISIANA.

UNITED STATES OF AMERICA,

versus

No. 1159 In Equity.

ARKANSAS NATURAL GAS COMPANY, ET AL.

TRANSCRIPT OF APPEAL.

Taken by the Plaintiff to the United States Circuit Court
of Appeals, New Orleans, Louisiana.

1 IN THE DISTRICT COURT OF THE UNITED
STATES FOR THE WESTERN DISTRICT
OF LOUISIANA, SHREVEPORT DIVI-
SION.

UNITED STATES OF AMERICA,

Plaintiff,

vs.

No. 1159 In Equity.

ARKANSAS NATURAL GAS COMPANY, SAM W.
MASON, MRS. LYDIA HANSZEN McMULLEN,
J. A. McMULLEN, HARRY S. GRAYSON,
Defendants.

To the Honorable Judge of the District Court of the
United States for the Western District of Louisiana,
sitting within and for the Shreveport Division:

The United States of America, by its Solicitor, Robert
A. Hunter, Special Assistant to the Attorney General,
acting herein under the direction and by the authority
of the Attorney General of the United States, brings this
bill of complaint against the following defendants:

Arkansas Natural Gas Company, a corporation organized under the laws of the State of Delaware and having an office and place of business in the City of Shreveport, in the Western District of Louisiana, with J. A. Thigpen, a resident of the City of Shreveport, Louisiana, as its agent for the service of process;

Sam W. Mason, a citizen of Louisiana, and a resident of the City of Shreveport, in the Western District of said State, Shreveport Division;

Mrs. Lydia Hanszen McMullen, a citizen of the State of Nevada, and a resident of Carson City, said State;

J. A. McMullen, husband of said Lydia Hanszen McMullen, a non-resident of the State, whose residence is unknown to plaintiff; and

Harry S. Grayson, a citizen of the State of Pennsylvania and a resident of the City of Pittsburg, in the Western District of said State;

and thereupon complains and shows unto your Honor:

I.

That on and before December 15, 1908, the plaintiff was the owner, as a part of its public domain, of a certain tract of land known and described as the SE $\frac{1}{4}$ of the SE $\frac{1}{2}$ of Section 28, Township 22 North, Range 15 West, Louisiana Meridian, Louisiana, situated in the Parish of Caddo, Western District of Louisiana, and that on and prior to the aforesaid date plaintiff was, and still is, the owner and entitled to the possession of the above described land, and likewise of all oil, petroleum, gas and other minerals therein contained.

II.

On December 15, 1908, in order to conserve the public interests, and in aid of such legislation as might thereafter be proposed, recommended and enacted, the President of the United States, by and through the Secretary of the Interior, and under the legal authority vested in him so to do, duly and regularly withdrew from settlement and entry and from all other forms of appropriation, all of the public lands in Townships 15 to 23 North, and Ranges 10 to 16 West, Louisiana Meridian, which withdrawal included the lands herein involved.

2 On the 2nd day of July, 1910, the President of the United States, acting by and through the Secretary of the Interior, by executive order, and under special authority conferred by the act of June 25, 1910, entitled "An Act to authorize the President of the United States to make withdrawals of Public lands in certain cases," ratified and confirmed and continued in full force and effect the previous order of withdrawal of December 15, 1908, above set forth, insofar as it affected the land described herein, including the same as a part of Petroleum Reserve Number Four. That such lands so withdrawn by said order of July 2, 1910, including the land herein involved, were withdrawn from settlement, location, sale or entry, and reserved for classification and in aid of legislation affecting the use and disposal of petroleum lands belonging to the United States.

Neither of said orders of withdrawal has ever been vacated but both are now in full force and effect, and said lands above named, including the property involved herein, ever since the date of the first withdrawal, December 15, 1908, have not been subject to exploration for oil, petroleum, gas, or other minerals, or to location or entry

of any kind under the general land laws, or mineral laws, of the United States.

III.

Plaintiff avers that notwithstanding said orders of withdrawal, and in violation of the rights of the plaintiff, and contrary to its laws, and without any valid title, lawful right or authority, the defendants herein, in bad faith entered upon and took possession of the tract particularly described in paragraph I hereof, for the purpose of drilling thereon for oil and gas, and did so drill one well, and did withdraw therefrom large quantities of gas, the exact amount and value of which is unknown, all to the great and irreparable injury of plaintiff.

IV.

That on and prior to the dates of the withdrawal orders hereinabove set forth, to-wit: December 13, 1908, and July 2, 1910, none of the said defendants, or any one from whom the defendants, or any of them, claim, was in possession of said land, or a bona fide occupant thereof in diligent prosecution of work thereon leading to a discovery of oil or gas, and no such discovery was in fact made prior to said orders of withdrawal, nor until long after said orders were issued, and had become effective to withdraw said land from location, entry and other appropriation.

V.

Plaintiff is informed and believes that the gas so withdrawn from the said tract of land, as above set forth, was extracted under the color of a pretended mineral location made by Lydia Hanszen, now Mrs. Lydia Hans-

zen McMullen, and Sam W. Mason, who were pretending to act under the placer mining laws of the United States, which said location was recorded May 11th, 1910, in Book 59, page 439, of the conveyance records of the Parish of Caddo, Louisiana. That said pretended mineral location embraced Forty (40) acres of land, including the land herein involved, and is in words and figures as follows:

16869

Bk. 59—P. 439.
S. W. Mason, et al.
to
The Public.

Filed and recorded May 11, 1910, A.S. Hardin, Dy. Clk.
& Ex. Off. Recorder.

Location.

To whom it may concern:

Notice is hereby given that the undersigned citizens of the United States over the age of 21 years, having complied with the requirements of Chapter VI, Title 32 of the Revised Statutes of the United States and the local laws, rules and regulations, and under the authority of the Act of Congress of February 11, 1897, relating to the location of lands containing petroleum oil and other mineral oils under placer mining laws, the undersigned have located and have taken possession of 40 acres of land described as follows, to-wit:

3 South East $\frac{1}{4}$ of South East $\frac{1}{4}$ of Section 28, Township 22, Range 15, Caddo Parish, La., and have caused a copy of this notice to be posted at each of the four corners thereof.

Witness our hands this 9th day of May, 1910.

(Signed) **SAM W. MASON,**

L. HANSZEN,

By **SAM W. MASON, Agt. and Atty-**
in fact.

Attest:

L. K. MCGUFFIN,

J. M. HALE.

That said above pretended locators made no effort to explore said land or drill for gas therein, but on May 23, 1910, by act recorded in Conveyance Book 59, page 539, executed a mineral lease thereon to Harry S. Grayson, who on October 31, 1910, by act recorded in Conveyance Book 59, page 87, assigned unto the Arkansas Natural Gas Company, defendant herein, all the gas and gas rights acquired by the said Harry S. Grayson, under the lease hereinabove referred to.

Plaintiff avers that the said Arkansas Natural Gas Company, Sam W. Mason, Mrs. Lydia Hanszen McMullen, J. A. McMullen, and Harry S. Grayson have no right, title or interest in and to the said tract of land, but, acting under the said pretended and illegal mineral location, and not otherwise, and subsequent to the withdrawal orders hereinabove referred to, entered upon the said tract of land, drilled a well thereon as aforesaid, and took therefrom a large quantity of gas, which the defendant, Arkansas Natural Gas Company, has marketed and sold; that the said Arkansas Natural Gas Company received the price of the gas so produced, marketed and sold, and paid a royalty therefrom to the other defendants herein, the amount of which is to the plaintiff unknown. The exact quantity of gas so produced, withdrawn from the land, and sold, and the value thereof, being unknown to the

plaintiff, full discovery from the defendants herein is sought.

Plaintiff states that the said well was drilled by the Arkansas Natural Gas Company, defendant herein, after the second withdrawal order above referred to.

VI.

Plaintiff avers that the defendants are now unlawfully trespassing upon the said land and are asserting claims thereto and will continue to do so; that they will also drill other wells, operate the same, and sell and dispose of the oil and gas produced therefrom, and, unless restrained by order of this Court, will otherwise trespass on said land, to the great and irreparable damage of the plaintiff.

VII.

Plaintiff avers that the value of said land and the gas taken therefrom exceeds the sum of Five Thousand (\$5,000.00) Dollars, and that all of the defendants herein acted in bad faith in the premises.

VIII.

In consideration whereof and for as much as the plaintiff is without full, adequate and complete remedy in the premises save in a Court of Equity, plaintiff prays:

1. That the said defendants be each required to make full, true and direct answers to all and singular the matters and things herein set forth, and to disclose their claim to said land and the amount and value of the gas taken therefrom, as fully as if they had been particularly interrogated.

2. That the land above described may be decreed by this Court to have been at all times from and after December 15, 1908, lawfully withdrawn from settlement, entry, location, sale or other form of appropriation under the public land or mineral laws of the United States.

3. That the aforesaid mineral location made by the said Lydia Hanszen and Sam W. Mason, and the aforesaid lease made by them to Harry S. Grayson, as well as the transfer thereof by the said Harry S. Grayson to the Arkansas Natural Gas Company, as hereinabove set forth, be declared null and void and that the same be cancelled and annulled.

4. That the land above described may be adjudged and decreed to be the perfect property of the plaintiff, free and clear of all claims of the said defendants or any of them, and that the possession of said land may be restored to the plaintiff.

5. That said defendants, during the progress of this cause, and finally and perpetually thereafter, may be enjoined from setting up any claim to said land, or any part thereof, and from creating any cloud upon the plaintiff's title to the same, or to any of the oil, gas or minerals on or under the same, and from going upon said land, or in any manner using the same, or extracting oil or other minerals therefrom.

6. That a receiver may be appointed by this Court to take possession of said land and of all wells, improvements and drilling paraphernalia thereon, and any other property and instrumentalities on said land, used for the purpose of boring and extracting, storing and transporting gas, with full power and authority to continue operations on said land in the production and sale of oil, gas

and other minerals, and to do and perform such acts as may be necessary to protect the property of plaintiff against injury and waste and for the preservation thereof.

7. That an accounting may be had by each of said defendants wherein each of them shall make a full, complete, itemized and correct disclosure of the quantity of gas removed or extracted from said land and of any and all moneys, or things of value, derived from the sale and disposition of same, and all rents, royalties and proceeds arising from the sale or lease of same, and that the plaintiff may recover from the said defendants, respectively, all such sums so received by them, and all damages sustained by plaintiff in the premises.

8. That plaintiff may have such other and further relief as may seem just to this Honorable Court and agreeable to equity and good conscience.

May it please the Court that writs of Subpoena issue directed to the Arkansas Natural Gas Company and Sam W. Mason, defendants, commanding them at a certain time and under a certain penalty therein to be named, to appear before this Honorable Court and then and there full, true and direct answers make to all and singular the premises, and to stand to perform and abide by such order, direction and decree as may be made against them in the premises and as shall be meet and agreeable to equity.

9. And may it further please the Court that an order be granted and entered, directed to the following defendants, not inhabitants of, or now within, this District, to-wit: Mrs. Lydia Hanszen McMullen and Harry S. Grayson, and served as provided by law, directing said defendants to appear and answer in this cause on a day certain to be designated by this Court.

10. And may it further please the Court that an order be granted and entered directed to J. A. McMullen, defendant herein, directing said defendant to appear and answer to this cause on a day certain to be designated by this Court, and that same be served by publication in such manner as the Court may direct, for not less than once a week for six consecutive weeks, as required by Section 57 of the Judicial Code.

ROBERT A. HUNTER,

Special Assistant to the Attorney General.

5

AFFIDAVIT.

United States of America,
Northern District of California,

D. R. Thompson, being first duly sworn, deposes and says:

That he is Mineral Inspector of the General Land Office, and, as such, has made investigation of the status of the lands belonging to the United States in the Parish of Caddo, Louisiana, from which oil and gas have been extracted, and, particularly, of the land described in the foregoing bill of complaint, withdrawn by the President from entry, location, and all forms of appropriation by orders of December 15, 1908, and July 2, 1910, and that from the examination of such lands, and from examination of the records of the General Land Office and of the local land office in the State of Louisiana, he has knowledge of the facts set forth in the foregoing bill of complaint, and that the facts and allegations therein contained are true.

D. R. THOMPSON.

Sworn to and subscribed before me this 5th day of July, 1917.

LYLE S. MOURS,
Deputy Clerk United States District Court, Northern District of California.

6

ORDER.

The above and foregoing bill of complaint and affidavit being considered, and it appearing to the Court that Mrs. Lydia Hanszen McMullen, and her husband, J. A. McMullen and Harry S. Grayson, are not inhabitants of the Western District of Louisiana and are domiciled outside of said district,

It is therefore ordered that the said absent defendants be, and they are hereby, directed to appear and answer to the above and foregoing bill of complaint at Shreveport, in the Western District of Louisiana, on the 10th day of September, 1917, at the hour of ten o'clock A. M., and that service of duly certified copies of the said bill of complaint and of this Order be made on said defendants, other than J. A. McMullen, respectively, wherever found, and that service be made on the said J. A. McMullen by publication in the Shreveport Times for not less than once a week for a period of six consecutive weeks, as required by Section 57 of the Judicial Code, and that copies of this Order, certified under seal, be made by the Clerk of this Court, and delivered to the Marshal for publication, and for return.

Thus done and signed this 20 day of July, 1917.

RUFUS E. FOSTER,
United States Judge.

Indorsed:—Bill of Complaint. Filed Jul. 21, 1917.

7 In the District Court of the United States for the
 Western District of Louisiana, Shreveport
 Division.

United States of America, Plaintiff,

vs. No. 1159 In Equity.

Arkansas Natural Gas Company, Sam W. Mason, Mrs.
Lydia Hanszen MacMullen, J. A. MacMullen, Harry
S. Grayson, Defendants.

The defendants, Arkansas Natural Gas Company, Sam W. Mason, Mrs. Lydia Hanszen MacMullen, divorced wife of J. A. MacMullen, and Harry S. Grayson, answer the bill of complaint herein brought against them as follows:

I.

Respondents admit that on and before December 15th, 1908, the plaintiff was the owner, as a part of its public domain, of the tract of land described in this article of the bill of complaint, and that on and prior to the aforesaid date plaintiff was the owner and entitled to the possession of the above described land, and likewise of all oil, petroleum, gas and other minerals therein contained.

II.

Defendants admit that on December 15th, 1908, the President of the United States, through the Commissioner of the General Land Office, withdrew from settlement and entry all of the public lands in Townships 15 to 23 North, and Ranges 10 to 16 West, Louisiana meridian, which withdrawal, included the lands herein involved. But defendants deny that the said withdrawal was intended to withdraw or had the effect of withdrawing from location and purchase under the mining laws of the United States, any of the land within the said area.

Defendants admit that on the 2nd day of July, 1910, the President of the United States, acting under the act of June 25th, 1910, referred to in the second article of the bill of complaint, again issued a withdrawal order, and in said order ratified and confirmed, and
8 continued in full force and effect, the previous order of withdrawal of December 15th, 1908; but defendants show that the previous withdrawal of December 15th, 1908, did not and was not intended to affect the right to locate and purchase under the mining laws of the United States any public lands within the withdrawn area.

Defendants admit that neither of said orders of withdrawal has ever been vacated, but defendants say that prior to July 2nd, 1910, at which time lands within Petroleum Reserve No. Four were withdrawn from mineral location, the land in controversy was subject to location and purchase under the mining laws of the United States and to the right of any citizen to prospect upon the same for mineral, including oil and gas.

III.

Defendants deny that in violation of the rights of the plaintiff, and contrary to its laws, and without any valid title, lawful rights or authority, they entered upon and took possession of the said tract of land, for the purpose of drilling thereon for oil and gas, or that they entered upon and drilled thereon for oil and gas in bad faith. Defendants admit, however, that they did enter upon said land, under and by virtue of the mining laws of the United States, under a valid location thereof, and did discover thereon minerals in paying quantities, to-wit, natural gas, which location and which discovery were made under and by virtue of the mining laws of the United States and in good faith.

IV.

Defendants admit that on and prior to December 15th, 1908, none of them were in possession of said land, but defendants show that prior to July 2nd, 1910, they were bona fide occupants thereof, in diligent prosecution of work thereon leading to a discovery of gas, which discovery was in fact made on the 25th day of August, 1910, thereby vesting in the locators the rights granted by the mining laws of the United States to locators of placer mining claims. And defendants show that being in possession of said property on July 2nd, 1910, in
9 diligent prosecution of work leading to a discovery of gas, their rights as locators are protected by the laws of the United States, although the order of withdrawal of July 8nd, 1910, in fact, intervened.

V.

Defendants admit the mineral location made by Lydia Hanszen and Sam W. Mason, under the mining laws of

the United States, which said location was recorded May 11th, 1910, in Book 59, page 439, of the conveyance records of the Parish of Caddo, Louisiana, said location embracing the land herein involved, and which notice, in words and figures as set out in the bill, was duly posted on said land, in addition to the recordation as aforesaid.

Defendants show that said locators took possession of the said property under the said location, as was their right under the laws of the United States, and on May 23rd, 1910, leased the said property to Harry S. Grayson, who on October 31st, 1910, after the discovery of gas on said property in paying quantities in the well drilled by him under said lease from the said locators, assigned to the Arkansas Natural Gas Company all of the gas and gas rights by him, the said Grayson, acquired under the laws above referred to.

Defendants deny that they have no right, title or interest in and to the said tract of land, or that the said mineral location was illegal; but they say that under and by virtue of the said location and the said lease, they entered upon the said tract of land and drilled a well thereon which produced gas in paying quantities. Defendants deny, however, that any large quantity of gas from the said well was ever marketed or sold, and say that the amount of gas marketed and sold from said well was very small—the value of gas so marketed and sold being much less than the cost of drilling the said well, which was drilled by the said Grayson in good faith under the said laws. Defendants reserve the right by an amended answer to file a full account of the amount and value of the gas sold and marketed and the cost of producing the same, and of setting up all of their rights to compensation by virtue of having drilled the said well.

Defendants further show that although the said well was completed after the second withdrawal order above referred to, that operations therefor were begun before, and were being diligently prosecuted prior to and at the date of, the said withdrawal order, and that their rights by reason of such diligent prosecution of work were fully saved by the acts of Congress.

VI.

Defendants deny that they are or ever have been unlawful trespassers upon the said land, but they show that their possession of same was lawful and under and by virtue of the laws of the United States; that under their said location they are the equitable owners of the said property and entitled to use the same as they see fit; but they deny any present intention of drilling any further wells upon the said lands.

VII.

Defendants deny that they acted in bad faith, but specially aver their good faith and their legal rights as aforesaid.

Wherefore, having made full and complete answer to all the allegations of the bill of complaint, defendants pray that the said bill be dismissed and that they be hence discharged with all costs in their behalf sustained.

THIGPEN & HEROLD,
Solicitors for Defendants.

Indorsed:—Answer. Filed Aug. 10, 1917.

11 (INTERROGATORIES TO BE PROPOUNDED
TO ARKANSAS NATURAL GAS CO).

(1).

State who drilled the well known as Hanszen No. 1 on the land in controversy in this case.

(2).

State when the said well was commenced, when it was completed, and how long and by whom same was operated.

(3).

Did said well produce gas, and was said gas or the proceeds of the sale thereof converted to the use and benefit of the defendants in this cause?

(4).

During what period was said well operated in the production of gas, and when, if at all, did it cease to produce gas?

(5).

State whether or not the said gas well was operated in the production of gas as an entity, or in connection with other wells on the same or different tracts of land?

(6).

Was a separate and complete record kept by the Arkansas Natural Gas Company of the gas produced by said well? If so, state how and in what manner said record was kept?

(7).

State the initial production of gas from said well.

(8).

If the production, as given by you in your answers to the preceding interrogatories, is based upon an estimate of the quantity of gas produced by said well, then state the manner in which you arrived at, or estimated the production of said well.

(9).

State the total market value of the gas produced by the Arkansas Natural Gas Company from the land in controversy, and say whether or not the value as given by you is exact or approximate, and, furthermore, state upon what the value as given is based.

(10).

State whether or not the Arkansas Natural Gas Company was engaged at the time said well was drilled and operated in the distribution and sale as well as
12 as in the production of gas, and also state whether the gas produced from said well was sold by said Company to other persons or corporations, and if not sold, then state how said gas was used, and what disposition was made thereof.

(11).

State the total profits made by the Arkansas Natural Gas Company from the sale or use of the gas produced by said well.

(12).

State how much money was paid as royalties by the Arkansas Natural Gas Company to the other defendants herein, out of the proceeds of the sale of gas taken from the land in controversy in this cause, giving the names of each of said defendants to whom the royalty or royalties were paid.

ROBERT A. HUNTER,

Special Assistant to the Attorney General.

Indorsed:—Application and Order to File Interrogatories and Interrogatories to be Answered by the Arkansas Natural Gas Company. Filed Feb. 20, 1918.

13 In the District Court of the United States for the Western District of Louisiana, Shreveport, Louisiana.

United States of America, Plaintiff,

vs. No. 1159 In Equity.

Arkansas Natural Gas Company, Sam W. Mason, Mrs. Lydia Hanszen MacMullen, J. A. MacMullen, Defendants.

In the above entitled and numbered suit, comes now the Arkansas Natural Gas Company, through J. R. Munce, its second vice-president, a proper officer of the said corporation for the answering of interrogatories to it herein, and answers said interrogatories, under oath, as follows, to-wit:

To Interrogatory No. 1, defendant answers:

Well known as Hanszen No. 1 was drilled by the Woolf Drilling Company.

To Interrogatory No. 2, defendant answers:

Said well was commenced on July 16th, 1910, and was completed August 25th, 1910, but was not operated until December 24th of said year; the said well being operated from December 24th, 1910, until September 30th, 1912, by defendant. Defendant, however, continued to pay the gas rental of Two Hundred Dollars per year, provided by the lease from the original locators, until 1916; these payments being made after defendant ceased taking gas from this well in order to keep the lease in force for the reason that if drilling on adjacent territory seemed to justify it, the Company might drill to a deeper depth than for a gas well and the land be found to be oil bearing. But in 1916 the Company decided to abandon the lease entirely and since that date no rentals have been paid.

To Interrogatory No. 3, defendant answers:

The gas produced from said well was used for the benefit of defendant, defendant paying an annual rental of Two Hundred Dollars for said gas well to the said Sam W. Mason and Mrs. L. H. MacMullen, as provided by the original lease from the locators to Harry S. Grayson, assignor to defendant.

14 To Interrogatory No. 4, defendant answers:

Said well was operated in the production of gas from December 24th, 1910, to September 30th, 1912, but no material benefits were derived from said well by said defendant until July 2nd, 1911, when said well was turned into the line of said defendant; the line of the said de-

fendant to Little Rock, Arkansas, being in the course of construction at that time and not completed until June, 1911, when gas was furnished the city of Little Rock for domestic purposes by defendant. Said well was of no benefit whatever to defendant after the rock pressure of the well was below the line pressure in the defendant's pipe lines, which condition occurred September 30th, 1912, at which time defendant ceased to use the gas from said well.

To Interrogatory No. 5, defendant answers:

This well was operated in connection with four other wells owned by defendant, and the gas from said five wells was run with the gas purchased by defendants from other wells, not owned by the defendant, into the line of the defendant.

To Interrogatory No. 6, defendant answers:

A separate and complete record was not kept of the production from this well. During the period gas from this well in connection with the gas from the other four wells owned by the company, above referred to, was run into the line of the company, with the gas purchased from other wells not owned by the company, we sold from all of said wells, 3,855,164,000 cubic feet of gas. The amount of gas purchased from the wells not owned by the company was 2,240,990,000, which would show the production of the five wells owned by the company to be 1,614,174,000 cubic feet, or approximately 322,834,800 cubic feet, each.

To Interrogatory No. 7, defendant answers:

The initial production of said well was forty million cubic feet of gas per day, but in less than one year's time it had decreased to seven and a half million cubic feet per day; rock pressure had dropped from 385 pounds down

to 84 pounds and subsequent to September 30th, 1912, gas from this well could no longer be run into the line of the company.

15 To Interrogatory No. 8, defendant answers:

The production of said well is estimated to be approximately one-fifth of the total production of the five wells owned by the company aforesaid; and since the records of the company show that 3,855,164,000 cubic feet of gas was sold by it during the period that gas was taken by the company from these five wells, and that it purchased 2,240,990,000 cubic feet of gas during that period from wells not owned by it, but run into the line of the company with the gas from the said five wells that were owned by it, the production of said five wells was the difference between 3,855,164,000 and 2,240,990,000 or 1,614,174,000 cubic feet of gas. Assuming that these five wells owned by the company produced in equal volume, the estimated production of the well in controversy would be $\frac{1}{5}$ of 1,614,174,000, or 322,834,800 cubic feet.

To Interrogatory No. 9, defendant answers:

The total market value of the gas produced by defendant from the well in controversy was Four Thousand Eight Hundred and Forty-two and $\frac{52}{100}$ (\$4,842.52) Dollars. The value as given is approximate to this extent, it is based on the estimated production of said well, 322,834,800 cubic feet, at one and one-half ($1\frac{1}{2}$) cents per thousand cubic feet, the price paid by defendant for the gas purchased by it during the same period.

To Interrogatory No. 10, defendant answers:

Defendant was engaged in the distribution of gas for drilling purposes in the Caddo field at the time of the completion of this well, and later furnished gas for domestic use in Arkansas.

To Interrogatory No. 11, defendant answers:

The cost of drilling and equipping said well was	\$5,200.95;
Cost of operating said well during the period that gas was used therefrom	140.00
Gas rentals paid to locators for two years...	400.00
	<hr/>
	\$5,740.95
Less receipts from the sale of 322,834,800 cubic feet of gas at 1½c. per thousand cubic feet	4,842.52
	<hr/>
Or a Loss of	\$ 898.43

16 As aforesaid, defendant continued to pay gas rental to the locators even after it discontinued the use of gas from this well, but there is only charged to this well in arriving at the loss of \$898.43 aforesaid, the gas rental paid during the period gas was taken from the well by defendant.

In addition to the above, defendant laid a two mile pipe line from this well to its main line to take care of the production of this well and three other wells, at a cost of \$3,168.00 for the laying of the line, and \$2.13½ per foot for the pipe used in the line, or \$11,895.60, or a total of \$15,153.60, which line would not have been laid but for the drilling of this well. Considering the expense of building this line there was a very large actual loss to defendant in its effort to operate this lease.

There is still some salvage in the well as the casing has never been removed.

To Interrogatory No. 12, defendant answers:

No money was paid out of the proceeds of the sale of gas taken from the land in controversy in this cause; the

only sums paid by the Company being the rental of Two Hundred Dollars per year paid to the said Sam W. Mason and Mrs. L. H. MacMullen, locators, under the terms of their lease to the said Harry S. Grayson, for seven years, or Fourteen Hundred (\$1,400.00) Dollars; rentals for the additional five years after the Company ceased to use gas from the well being paid in order to preserve this lease, said \$1,000.00 not being properly chargeable to this well.

J. R. MUNCE.

Sworn to and subscribed before me on this the 14 day of May, 1918.

J. A. THIGPEN,
Notary Public in and for
Caddo Parish, Louisiana.

Indorsed:—Answer of Arkansas Natural Gas Company to Interrogatories. Filed May 14, 1918.

17 United States District Court, Western District
 of Louisiana.

United States,

vs.

No. 1159.

Arkansas Natural Gas Company, et al.

This case now being at issue, the Court considering that the services of a Master are necessary to aid the Court and economize its time, and for the purpose of expediting the final hearing of this cause, the Court of its own motion appoints Edward E. Randolph, Esq., Special Master.

It is further ordered that this case be referred to said Master to take the evidence and report his findings of fact and conclusions of law thereon.

The said Special Master is authorized to set the case for hearing at such time and place as in his opinion may be most convenient to all parties, and he is authorized to hear the evidence within the jurisdiction of the Court or elsewhere as may be advisable.

RUFUS E. FOSTER, Judge.

March 29, 1918.

Filed Mar. 29, 1918.

18 STATEMENT OF GAS RUN BY COMPANY.

Suit No. 1159—Plff I
R. B. Cook, Stenographer.

Arkansas Natural Gas Co.

From July 1st, 1911	
to September 30th,	
1912	4,744,838,000 Cu. Ft. 8 Oz. base.
Purchased by Com-	
pany from other	
concerns and run	
into this line	2,395,993,000 Cu. Ft. 10 Lb. base.
Total produced by	
Arkansas Natural	
Gas Company's	
five wells	2,348,845,000 Cu. Ft.
1/5 or total produced	
by well in suit . . .	469,769,000 Cu. Ft.

Value at 1½c. per 1000 cubic feet	\$7,046.54	On 8 Oz. base.
Cost of Drilling	4,842.12	
	<hr/>	
	\$2,204.42	
Paid to royalty	1,400.00	
	<hr/>	
	\$ 804.42	

Division of Royalty or Rental.

May 1910 to May 1916.

Warren H. Matthews 1/8	\$175.00
Mrs. Lydia Hanszen McMullen ½ of remainder	612.50
Dillard P. Eubanks ½ of remainder	306.25
Sam W. Mason, remainder	306.25
Net amount retained by The Arkansas Natural Gas Co. after deducting rental or royalty	804.42
	<hr/>
Total	\$2204.42

First work done on lease leading to discovery of mineral July 16, 1910.

Filed Jan. 21, 1919

19 Arkansas Natural Gas Company.

Cost of Hanszen Mason Well.

Our Serial No. 12.

Labor, teaming and freight	\$ 168.08
Drilling	2,796.00
Rigs	387.52
Other Equipment	136.77
Casing and tubing	1,353.75
Total	<u>\$4,842.12</u>

20 In the District Court of the United States, for
the Western District of Louisiana.

United States of America, Plaintiff,

vs. No. 1159 In Equity.

Arkansas Natural Gas Co., et al., Defendants.

Now come Sam W. Mason, and Mrs. Lydia H. McMullen, two of the defendants herein, and except to the report of E. H. Randolph, Esquire, Special Master, filed in this cause on the 11th day of January, 1919, and for cause of exception show:

1.

That the Master has stated and certified that these defendants received royalty from the gas well in controversy; whereas he should have reported and certified that

they received no royalties whatever from the property, but merely a rental from the co-defendant, the Arkansas Natural Gas Company.

2.

That the Master has stated and certified that these defendants should be held liable to the Government for the sums received by them as rentals from the property on the gas well in controversy; whereas he should have reported and certified that the Government had no interest in sums received by them as rental and that they were not so liable.

Wherefore, they pray that these exceptions be sustained and that judgment be rendered in their favor accordingly.

THIGPEN & HEROLD,

Solicitors for Defendants, Sam W.
Mason and Mrs. Lydia H. MacMullen.

Indorsed:—Exception of Sam W. Mason, and Mrs. Lydia H. MacMullen to the Report of the Special Master. Filed Jan. 30, 1919.

21 In the District Court of the United States, for
the Western District of Louisiana.

United States of America, Plaintiff,

vs. No. 1159 In Equity.

Arkansas Natural Gas Co., et al., Defendants.

Now comes the Arkansas Natural Gas Company, one of the defendants herein, and excepts to the report of E.

H. Randolph, Esquire, Special Master, filed in this cause on the 11th day of January, 1919, and for cause of exception shows:

1.

That in said report the Master has stated and certified that judgment should be rendered against this defendant in the sum of \$1,285.67; whereas he should have reported and certified that no money judgment should be rendered against this defendant.

2.

That the Master in said report stated and certified that judgment should be rendered against this defendant in the sum of \$1,285.67; whereas he should have reported that if any money judgment should be rendered against this defendant the same could not, under his own calculations, exceed \$804.42.

3.

That the Master reported and certified that this defendant should be held liable further in solido with its co-defendants for the amount of rentals paid to them; whereas he should have reported and certified that this defendant could not be held liable for any rentals paid out by it.

4.

That the said Master has in said report certified that this defendant should pay interest upon the amount of judgment rendered against it, at the rate of five (5%) per cent per annum from the filing of the report; whereas

22 he should have certified that if any judgment is rendered against this defendant, interest should run only from the date that same is liquidated by decree of this Court.

Wherefore, defendant prays that these exceptions be sustained and that judgment be rendered in its favor accordingly.

THIGPEN & HEROLD,
Solicitors for Defendant, Arkansas
Natural Gas Company.

Indorsed:—Exceptions of the Arkansas Natural Gas Company to the Report of the Special Master. Filed Jan. 30, 1919.

23 In the District Court of the United States for
the Western District of Louisiana.

United States of America,
vs. No. 1159.
Arkansas Natural Gas Company, et al.

Now into this Honorable Court comes plaintiff, the United States of America, appearing herein through undersigned counsel, and excepts to the report of Hon. E. H. Randolph, Master in Chancery herein, insofar as the said report recognizes the defendants as innocent trespassers, and allows the counterclaim filed by them, for the following reasons, to-wit:

1. The Master erred in not finding and in not giving consideration to the fact that on December 15, 1908, the President of the United States, acting through the Sec-

retary of the Interior, withdrew the land in controversy from settlement, entry or other form of appropriation in order to conserve the public interest and in aid of such legislation as might thereafter be proposed or recommended and that said withdrawal was ratified and continued in effect by the withdrawal order issued by the President, July 2, 1910.

The evidence showing such withdrawals consists of documentary testimony offered by plaintiff in the case of the United States v. Sam W. Mason, et al., No. 1172, on the docket of this Honorable Court, being plaintiff's exhibits "A" "B" "C" "D" "E" "F 1, 2, 3, 4, 5," "G" "H" "I" "J" "K" "L" "M" "N" "O" "P" "Q" "R" "S" "T," which said exhibits were by agreement of counsel (record 2) made a part of the record in this cause. This Court held in the said Mason case that the withdrawals included Township 22 North, Range 15 West, and prohibited mineral locations on the public lands described therein, which ruling is applicable to this suit. and was so recognized by the Master in his report.

24 2. The mineral location in this cause embraced the SE $\frac{1}{4}$ of SE $\frac{1}{4}$, of Sec. 28, Township 22 N., R. 15, West, and was made May 9, 1910 (see paragraphs 4 and 5 of answer of defendants of bill of complaint). The evidence shows that no work whatever leading to a discovery was begun upon said land until July 16, 1910, the said well having been commenced on that date, but was not operated until December 24, 1910 (see answer of Arkansas Natural Gas Co., to Interrogatory No. 1).

Plaintiff avers that the drilling of said well and the removal of gas from said land were in violation of said withdrawal orders.

3. That drilling on withdrawn lands is in contravention of the policy of the United States, as shown by said

withdrawals, to retain the oil in the ground for legislative disposition. This policy precludes a consideration of any equitable benefit to the government from the drilling and operating of the wells.

4. That no counterclaim or set-off was asserted, contained or set forth in the answer of defendants to the bill of complaint, nor by any pleading subsequently filed. Plaintiff states that in paragraph 5 of the answer the defendants reserved the right by an amended answer to set up claims for compensation by virtue of having drilled the said well, but that no such amended answer was ever filed. Plaintiff alleges that the Master erred in allowing the counterclaim when none had been filed, and that under equity rules 30 and 31, no set-off or counterclaim can be allowed unless specially pleaded. Plaintiff further states that said counterclaim could not properly be filed or asserted in this cause, because, under the admissions made by defendant, Arkansas Natural Gas Company (in whose favor the Master allowed the counterclaim), to the interrogatories as above set forth, no work whatever was done upon the land embraced in the mineral location until after the withdrawal of July 2, 1910.

25 5. That no testimony was offered by defendants, nor otherwise adduced, to show that they acted in good faith in drilling and operating the wells in question. That the defense of innocent trespass is an affirmative defense, and the defendants did not prove or attempt to prove that they extracted and removed the gas from plaintiff's land through mistake or inadvertance, nor did they show that they acted on the advice of counsel, or in the belief that they were the owners of the property. The wrongful taking of the property of another, in the absence of all other evidence raises a presumption

that the trespasser took it intentionally, wilfully or in reckless disregard of the rights of the owner, and this presumption was not overcome, nor sought to be overcome, in any manner whatever by defendants.

Wherefore, plaintiff prays that these exceptions be sustained, and accordingly, that the counterclaim filed by defendants be rejected and disallowed, and that there be a decree in favor of the United States and against the defendants as follows, to-wit:

(a) Against the Arkansas Natural Gas Co.
for the Total value of the gas produced from
said land, less royalties of \$918.75, paid to Mrs.
Lydia Hanszen McMullen and Sam W. Mason,
all as shown by the Master's report, amount-
ing to the sum of \$6,127.79

(b) Against the Arkansas Natural Gas Co.
Mrs. Lydia Hanszen McMullen and Sam W.
Mason, in solido, for the amount of royalties
paid by the Arkansas Natural Gas Co. to de-
fendants, McMullen and Mason, all as shown
by the Master's report, aggregating the sum
of 918.75

Said sums aggregating \$7,046.54, being total value of
gas extracted and removed from said land by defendants,
as shown by the Master's report.

Plaintiff prays that in all other respects the said re-
port and recommendations of the Master be con-
firmed and made the decree of this Honorable
Court. Prays for all orders and decrees neces-
sary, and for general relief.

ROBERT A. HUNTER,
Special Assistant to The Attorney
General.

Indorsed:—Plaintiff's Exceptions to the Master's Report. Filed Jan. 30, 1919.

27 In the District Court of the United States for the Western District of Louisiana, Shreveport Division.

United States of America,

vs. No. 1159 In Equity.

Arkansas Natural Gas Company, Sam W. Mason, Mrs. Lydia Hanszen McMullen, J. A. McMullen, Harry S. Grayson.

This cause came on to be heard at this term and was argued by counsel; and thereupon, upon consideration thereof it was ordered, adjudged and decreed as follows:

I. That the report filed herein January 11, 1919, by E. H. Randolph, Special Master in Chancery, be and the same is hereby approved and confirmed; and, accordingly:

II. That the land described in the bill of complaint, namely, Southeast Quarter ($SE\frac{1}{4}$) of Southeast Quarter ($SE\frac{1}{4}$) of Section Twenty-eight (28), Township Twenty-two (22) North, Range Fifteen (15) West, Louisiana Meridian, Louisiana, situated in the Parish of Caddo, Western District of Louisiana, be and the same is hereby decreed to have been at all times from and after December 15, 1908, lawfully withdrawn from settlement, entry, location, sale or other form of appropriation under the public land or mineral laws of the United States.

III. That the mineral location made by Lydia Hanszen (now Mrs. Lydia Hanszen McMullen) and Sam W. Mason, May 9, 1910, recorded May 11, 1910, in book 59, page 439; the lease of said land made by said locators May 23, 1910, to Harry S. Grayson, by act recorded in Conveyance Book 59, page 87, of the Conveyance records of Caddo Parish, Louisiana, and the assignment of said lease to the Arkansas Natural Gas Company, insofar as the said mineral location and lease may include, directly or indirectly, the above described property, be and the same are declared null, void, and held for naught, and the said mineral location and lease are annulled and shall be cancelled.

28 IV. That the land above described shall be, and the same hereby is, adjudged and decreed to be the perfect property of plaintiff, the United States of America, free and clear of all claims of the said defendants, or any of them, and that the possession of the said land shall be restored to plaintiff.

V. That the said defendants, namely, Arkansas Natural Gas Company, Sam W. Mason, Mrs. Lydia Hanszen McMullen, J. A. McMullen, and Harry S. Grayson, shall be and they, and each of them, are hereby finally and perpetually enjoined from setting up any claim to said land, or any part thereof, and from creating any cloud upon plaintiff's title to the same, or to any of the oil, gas or minerals, on or under the same, and from going upon said land, or in any manner using the same, or extracting oil or other minerals therefrom, and, accordingly, that a writ of injunction issue restraining, enjoining and prohibiting the said defendants, and each of them, from committing the acts aforesaid, and from in any manner trespassing upon said land.

VI. That the United States of America do have and recover of and from the Arkansas Natural Gas Company and the said defendant is hereby condemned and order to pay to plaintiff, the full sum of One Thousand, Two Hundred and Eighty-five and 67/100 (\$1,285.67) Dollars, together with five per cent per annum interest thereon from January 11, 1919, until paid.

VII. That the United States of America do have and recover of and from the Arkansas Natural Gas Company, Sam W. Mason and Mrs. Lydia Hanszen McMullen, in solido, and the said defendants are hereby condemned and ordered to pay to plaintiff, the full sum of Nine Hundred and Eighteen and 75/100 (\$918.75) Dollars, together with five per cent per annum interest thereon from January 11, 1919, until paid.

VIII. That the rights of the United States of America, if any, to recover royalties paid to W. H. Matthews and Dillard P. Eubank, be reserved, in accordance with recommendation set forth in the Master's report.

IX. That the said defendants be and they are hereby ordered, directed and required to make a full, true and accurate accounting to plaintiff of all oil extracted from said land since January 1, 1918, and to pay to plaintiff the value thereof, as ascertained by said accounting, together with all rents and royalties derived therefrom, and that all of plaintiff's rights to recover the oil produced from said land by the defendants since January 1, 1918, be reserved.

X. That the said defendants be, and they are hereby, condemned and ordered to pay all the costs of this suit.

XI. That pending delivery thereof to the United States of America, John H. Eastham, a resident of Shreveport, Louisiana, be and he is hereby appointed receiver to take possession of said land and of all wells, improvements and drilling paraphernalia thereon, and any other property and instrumentalities on said land, used for the purpose of drilling and extracting, storing and transporting oil, with full power and authority to continue operations on said land in the production and sale of oil, gas and other minerals, from existing wells, and to do and perform such acts as may be necessary to protect the property of plaintiff against injury and waste and for the preservation thereof. The defendants are hereby ordered, commanded and required to surrender and deliver to said receiver the possession of said land and the aforesaid property, wells, and instrumentalities thereon, upon the approval of said receiver's bond by the Clerk of this Court. The said receiver shall, within 90 days from the date of this decree, furnish bond, with good and solvent surety, to be approved by the Clerk of the United States District Court in and for the Western District of Louisiana, in

the sum of Five Hundred (\$500.00) Dollars,
 30 which said bond may hereafter be increased, or reduced, as the Court may direct, and shall be conditioned for the faithful performance of his duties and the rendition by him of a true and correct accounting and payment of all money, oil or other property that may come into his hands as receiver. The said receiver shall surrender possession of said land and of all property that may come into his custody hereunder, and shall account for and pay over to the United States of America, upon demand, or on order of the Court, all oil or money received by him in his aforesaid capacity. Jurisdiction of this cause is retained by the Court to supervise, direct and control the acts of the said receiver, to obtain such

account from the said receiver as the Court may order, to require the delivery to the United States of such land and property, and the accounting and payment to be made by the receiver, and generally for all purposes in connection with said receivership, with full reservation of the power to discharge or remove said receiver, and to appoint another receiver, or receivers, and to do and perform such other acts, in relation to the administration of said receiver, and the termination of said receivership, and to issue such further orders in the premises, as the Court may deem necessary.

Thus done, read and signed in open Court this 4th day of August, 1919.

RUFUS E. FOSTER,
United States Judge.

Indorsed:—Decree. Filed August 12, 1919.

31 In the District Court of the United States for
the Western District of Louisiana.

United States of America,

vs. No. 1159, In Equity.

Arkansas Natural Gas Company, et al.

To the Honorable, the Judge of the District Court of the
United States, for the Western District of Louisiana:

Now into this Honorable Court comes the United States
of America, plaintiff in the above numbered and entitled
cause, and, with respect, represents:

That on August 4, 1919, this Court entered a final decree in said cause, and that in said decree there was in part, error greatly to the prejudice and injury of plaintiff, as will more fully appear by the assignment of errors filed herewith. Plaintiff desires to take an appeal from said decree to the United States Circuit Court of Appeals of the Fifth Circuit.

Wherefore, it is prayed that an appeal may be allowed to plaintiff in this cause from this Court to the United States Circuit Court of Appeals for the Fifth Circuit, and that proper orders for the allowance of such appeal may be made by this Court.

ROBERT A. HUNTER,

Special Assistant to the Attorney General.

ORDER.

The foregoing petition for an appeal (with assignment of errors attached) being considered:

It is ordered that the United States of America, plaintiff in the above numbered and entitled cause, be and is hereby granted and allowed an appeal herein, from this Court to the United States Circuit Court of Appeals for the Fifth Circuit, in accordance with law and with the rules of said United States Circuit Court of Appeals.

Thus done and signed this 1st day of January, 1920.

RUFUS E. FOSTER,

United States Judge.

ASSIGNMENT OF ERRORS ON PLAINTIFF'S AP-
PEAL.

In the District Court of the United States for the West-
ern District of Louisiana.

United States of America,
vs. No. 1159 In Equity.
Arkansas Natural Gas Company, et al.

Now comes plaintiff, the United States of America, and in connection with its petition for an appeal herein, presents this, its assignment of errors, and says that the decree entered herein August 4, 1919, is erroneous in the following particulars, to-wit:

I.

The Court erred in allowing to the Arkansas Natural Gas Company, as an offset or credit, the costs and expenses of producing gas from the well situated on the land in controversy, and in not entering a decree in favor of plaintiff for the total value of the said gas.

II.

The Court erred in allowing to said defendant the costs of production of said gas, and in not entering a decree in favor of plaintiff for the full value of the gas extracted and removed from the land in suit, because the
33 said land had been withdrawn from any appropriation whatever by orders of the President of the United States, dated, respectively, December 15, 1908, and July 2, 1910, which orders were issued for the purpose of conserving the public interest and in aid of pend-

ing and proposed legislation. The said well was drilled in violation of each of said orders and in contravention of the policy of the United States to protect the public interest and to retain the gas in the ground for legislative disposition, which fact precludes the consideration of any equitable benefit to the United States from the drilling and operation of said well.

III.

The Court erred in allowing the said offset or counterclaim because the evidence shows that the defendants acted in bad faith in extracting and removing said gas.

IV.

The Court erred in allowing said offset or credit for the reason that no counterclaim or offset was asserted in the answer or other pleadings filed herein by defendants.

V.

The Court further erred, in any event, in finding and holding that the said defendants were entitled to deduct from the value of the gas extracted from the land in suit the costs of drilling and equipping said well, which said costs of exploration and discovery should not be allowed as an offset or credit.

Wherefore, plaintiff prays that the said decree be reversed insofar as it allows the said offset or credit for the cost of drilling, equipping, and operating the well in suit, and that a decree be rendered and entered in favor of plaintiff herein for the full value of the gas extracted and removed from said land, as shown by the report of

the Master in Chancery, or, in default of such relief, that the cause be remanded to the District Court with instructions to enter a decree in favor of plaintiff for the full value of said gas, without offset or deduction of any kind.

34 Plaintiff further prays that, in any event, the costs of drilling and equipping said well be deducted and excluded from any allowance that may be made to defendants as an offset or credit herein.

Plaintiff further prays that in all other respects the said decree be affirmed.

ROBERT A. HUNTER,
Special Assistant to the Attorney General.

Indorsed:—Plaintiff's Petition for Appeal, Order Allowing same, and Assignment of Errors. Filed Jan. 3, 1920.

35 STIPULATION OF COUNSEL.

In the District Court of the United States for the Western District of Louisiana.

United States of America,

vs.

No. 1159.

Arkansas Natural Gas Company, et al.

Counsel for plaintiff and defendants do hereby enter into the following stipulation relative to the contents of the record on appeal in the above numbered and entitled cause:

Whereas, this cause, together with suits numbered 1154, 1156, 1168, 1170 1171, were consolidated in the District Court for trial with the case entitled United States v. Sam W. Mason, et al, No. 1172, on the docket of said Court, which suit has likewise been appealed to the United States Circuit Court of Appeals for the Fifth Circuit;

Whereas, in order to reduce the size of the several transcripts counsel have agreed that the record on appeal in the said cause (No. 1172, United States v. Sam W. Mason, et al.) shall contain and include certain testimony, exhibits, the Master's report, and the opinion of the Court in full, which testimony, exhibits, report and opinion are applicable to all of the cases so consolidated; and

Whereas, counsel have agreed to incorporate in the transcript in this cause only the pleadings, exhibits and other matters specially applicable to this suit; now, therefore:

It is stipulated that the transcript of appeal in the said cause, entitled United States v. Sam W. Mason, et al., No. 1172, on the docket of the United States District Court for the Western District of Louisiana, shall be a part of the record on appeal in this suit, and shall be applicable thereto.

To avoid the inclusion in the transcript of the plats, land office records and other exhibits offered by plaintiff for the purpose of proving its ownership of the
 36 land in dispute and the survey thereof, and as supplementing the admissions in the record, it is stipulated that the tract in controversy was embraced in a mineral location filed by defendants on the date as alleged in the bill of complaint, and that at the time

said location was made the said tract was public land of the United States, the defendants claiming under the United States only and through the said mineral location.

It is stipulated that the mineral location and lease set forth in the bill of complaint were made and filed at the time as alleged in said bill.

It is stipulated that the Clerk shall prepare the transcript of appeal in this cause and shall copy into and incorporate therein the following, to-wit:

1. Bill of Complaint.
2. Answer of defendants.
3. Interrogatories propounded to Arkansas Natural Gas Company.
4. Answer of Arkansas Natural Gas Co. to interrogatories.
5. Order appointing E. H. Randolph Special Master in Chancery.
6. Statement prepared and identified by James W. Neal, Special Agent of the General Land Office, showing quantity and value of oil produced and cost of drilling well, together with all other information given in said statement, marked plaintiff's Exhibit I.
7. Exceptions of Sam W. Mason and Mrs. L. H. McMullen to Master's report.

8. Exceptions of Arkansas Natural Gas Co. to Master's report.

9. Plaintiff's exceptions to Master's report.

10. Final decree.

11. Plaintiff's petition for appeal, order allowing same, and assignment of errors.

12. This stipulation.

This done and signed this 12th day of May, 1920.

ROBERT A. HUNTER,
Attorney for Plaintiff.

THIGPEN & HEROLD,
Attorneys for Defendants.

Filed May 14, 1920.

37

CERTIFICATE.

I, W. B. LEE, Clerk of the District Court of the United States for the Western District of Louisiana, Fifth Circuit, do hereby certify that the foregoing thirty-six pages contain and form a full, true, correct and complete transcript of the record, assignment of errors, and all proceedings had in a cause where The United States of America, is plaintiff, and Arkansas Natural Gas Company, et al., are defendants, No. 1159 In Equity on the docket of said Court, as fully as the same remains on file and of record in my office at Shreveport, Louisiana,—this transcript having been prepared in accordance with stipulation of counsel, a copy of which accompanies this transcript.

Witness my hand officially and the seal of said Court at the City of Shreveport, Louisiana, on the 19 day of May, A. D. 1920.

(Seal)

W. B. LEE, Clerk U. S. District Court,
for the Western District of Louisiana.

— — —

Citation omitted from the Printed Record, being filed in the Original.

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And that thereafter the following proceedings were had in said cause in the United States Circuit Court of Appeals for the Fifth Circuit, viz:

Argument and Submission.

Extract from Minutes of February 24, 1921.

No. 3543.

THE UNITED STATES OF AMERICA

versus

ARKANSAS NATURAL GAS CO. et als.

On this day this cause was called, and, after argument by Robert A. Hunter, Esq., for appellant, and S. L. Herold, Esq., for appellees, was submitted to the Court.

Opinion of the Court.

Filed May 17th, 1921.

In the United States Circuit Court of Appeals, Fifth Circuit.

No. 3541.

THE UNITED STATES OF AMERICA, Appellant,

versus

W. W. GREEN et als., Appellees.

Appeal from the District Court of the United States for the Western District of Louisiana.

Robert A. Hunter, Special Assistant to the Attorney General, for Appellant.

S. L. Herold and J. A. Thigpen, for Appellees.

No. 3542.

HENRY HUNSICKER et als., Appellants and Cross-Appellees,

versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Appeal and Cross-appeal from the District Court of the United States for the Western District of Louisiana.

Hampden Story, for Appellants and Cross-Appellees.

Robert A. Hunter, Special Assistant to the Attorney General, for Appellee and Cross-Appellant.

No. 3543.

THE UNITED STATES OF AMERICA, Appellant,
versus

ARKANSAS NATURAL GAS COMPANY et als., Appellees.

Appeal from the District Court of the United States for the Western
District of Louisiana.

Robert A. Hunter, Special Assistant to the Attorney General, for
Appellant.

S. L. Herold and J. A. Thigpen, for Appellees.

No. 3544.

B. R. NORVELL et als., Appellants and Cross-Appellees,
versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Appeal and Cross-appeal from the District Court of the United States
for the Western District of Louisiana.

S. L. Herold and J. A. Thigpen, for Appellants and Cross-Appel-
lees.

Robert A. Hunter, Special Assistant to the Attorney General, for
Appellee and Cross-Appellant.

No. 3545.

W. H. MATTHEWS et als., Appellants and Cross-Appellees,
versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Appeal and Cross-appeal from the District Court of the United States
for the Western District of Louisiana.

S. L. Herold and J. A. Thigpen, for Appellants and Cross-Appel-
lees.

Robert A. Hunter, Special Assistant to the Attorney General, for
Appellee and Cross-Appellant.

No. 3546.

DILLARD P. EUBANK et als., Appellants and Cross-Appellees,
versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Appeal and Cross-appeal from the District Court of the United States
for the Western District of Louisiana.

S. L. Herold and J. A. Thigpen, for Appellants and Cross-Appellees.

Robert A. Hunter, Special Assistant to the Attorney General, for Appellee and Cross-Appellant.

No. 3547.

LYDIA HANSZEN McMULLEN et als., Appellants and Cross-Appellees,
versus

THE UNITED STATES OF AMERICA, Appellee and Cross-Appellant.

Appeal and Cross-appeal from the District Court of the United States
for the Western District of Louisiana.

S. L. Herold and J. A. Thigpen, for Appellants and Cross-Appellees.

Robert A. Hunter, Special Assistant to the Attorney General, for Appellee and Cross-Appellant.

Before Walker, Bryan, and King, Circuit Judges.

WALKER, *Circuit Judge*:

Each of these cases is so far like the case of *Mason, et al., v. United States, MS. U. S. Circuit Court of Appeals, Fifth Circuit*, that the opinion rendered in the cited case sufficiently discloses the grounds relied on to support the decisions now announced. The decree in each of these cases is affirmed in so far as it was in favor of the plaintiff below, and is reversed in so far as it credited the defendants below or any of them with drilling and operating costs incurred, and the cases are remanded, with direction that the accounting and the decrees be conformed to the views expressed in the opinion above referred to.

Affirmed in part.

Reversed in part.

Judgment.

Extract from Minutes of May 17th, 1921.

No. 3543.

THE UNITED STATES OF AMERICA

versus

ARKANSAS NATURAL GAS CO. et als.

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Western District of Louisiana, and was argued by counsel;

On consideration whereof, It is now here ordered, adjudged and decreed by this Court, that the decree of the said District Court in this cause, be, and the same is hereby affirmed in so far as it was in favor of the plaintiff in the said District Court; and that the said decree be, and it is hereby reversed in so far as it credited the defendants in the said District Court, or any of them, with drilling and operating costs incurred; and that this cause be, and it is hereby remanded to the said District Court for further proceedings in conformity to the opinion of this Court.

Petition for Appeal and Order Allowing Same.

Filed June 9th, 1921.

United States Circuit Court of Appeals for the Fifth Circuit.

No. 3543.

THE UNITED STATES OF AMERICA, Appellant,

versus

ARKANSAS NATURAL GAS COMPANY et als., Appellees.

To the Honorable the Judges of the United States Circuit Court of Appeals for the Fifth Circuit:

The above named appellees, Arkansas Natural Gas Company, Sam W. Mason, Mrs. Lydia Hanszen McMullen, J. A. McMullen, and Harry S. Grayson, feeling themselves aggrieved by the opinion and decree herein made and entered in this cause on the 17th day of May, 1921, do hereby appeal from said decree to the Supreme Court of the United States, for the reasons specified in the assignment of errors filed herein, and now pray that their said appeal be allowed with supersedeas, and that citation issue as provided by law, and that a transcript of the records, proceedings and papers on which said decree was based, duly authenticated, may be sent to the Supreme Court of the United States in the manner provided by law.

And your petitioners pray that the proper order touching the security to be required of them to perfect said appeal be made.

(Signed)

J. A. THIGPEN,

(Signed)

S. L. HEROLD,

Solicitors for said Appellants.

Order.

Let the foregoing petition be granted and the appeal allowed to operate as a supersedeas, upon the petitioners giving bond, conditioned as required by law, in the sum of Ten Thousand Four Hundred Dollars (\$10,400.00).

June 7th, 1921.

(Signed)

R. W. WALKER,

Judge U. S. Circuit Court of Appeals.

Assignment of Errors.

Filed June 9th, 1921.

United States Circuit Court of Appeals for the Fifth Circuit.

No. 3543.

THE UNITED STATES OF AMERICA, Appellant,

versus

ARKANSAS NATURAL GAS COMPANY et als., Appellees.

And now come all of said appellees (defendants in the District Court), and say that the opinion and decree filed herein on the 17th day of May, 1921, is erroneous and is unjust to them; and, for specification of such errors, they show:

First.

The Court erred in holding that the executive order of December 15th, 1908, withdrawing from settlement and entry or other form of appropriation the public lands in certain townships (including the township wherein the property in controversy is located) was a withdrawal from location under the placer mining laws.

Second.

The Court erred in holding that the defendants were not entitled to hold, occupy, possess and operate the property in controversy as a placer mining location with the right to all the gas extracted therefrom.

Third.

The Court erred in holding defendants to be trespassers.

Fourth.

The Court erred in holding that defendants are liable for the value of the gas extracted from the property.

Fifth.

The Court erred in holding (after erroneously condemning defendants for the value of the gas extracted from the land) that defendants are not entitled to deduct therefrom the amount of expenses actually incurred in extracting such gas.

Sixth.

The Court erred in holding that defendants did not act in good faith.

Seventh.

The Court erred in holding that defendants' acting upon advice of counsel under the circumstances of this case did not entitle them to allowance for the expenses actually incurred in extracting the gas, for the value of which they are here condemned by said judgment.

Eighth.

The Court erred in reversing, without any evidence to sustain such conclusion, the concurrent findings of the Master and the District Judge that the advice of counsel, upon which defendants relied in operating the property in controversy, was the opinion generally entertained by the Bar and was given by competent counsel under such circumstances as to have entitled defendants to rely thereon.

Ninth.

The Court erred in holding that defendants' operations upon the property were wrongful acts, committed under such circumstances as to be regarded as a wilful taking of plaintiff's property.

Tenth.

The Court erred in refusing to determine the right of the defendants to deductions for the expense actually incurred in extracting the gas according to the law of Louisiana.

Eleventh.

The Court erred in refusing to apply to this case the provisions of Article 501 of the Civil Code of Louisiana and the settled jurisprudence thereunder.

Twelfth.

The Court erred in holding that the substantial right of defendants to deduct expenses actually incurred by them in the production from land in Louisiana of gas, for the value of which plaintiff is awarded judgment, is not to be determined by the Federal Courts sitting in Louisiana according to the Code or the settled jurisprudence of that State.

Thirteenth.

The Court erred in not reversing the decree of the District Court, which refused to deduct, as an expense of operation of the Arkansas Natural Gas Company, the amount paid by it to its co-defendants as royalty or rental.

Fourteenth.

The Court erred in allowing interest from the date of the Master's report.

Wherefore, the defendants pray that the said decree be reversed and for general relief.

(Signed)

(Signed)

J. A. THIGPEN,
S. L. HEROLD,
Solicitors for Defendants.

Appeal Bond.

Filed June 9th, 1921.

In the United States Circuit Court of Appeals, Fifth Circuit.

No. 3543.

THE UNITED STATES OF AMERICA, Appellant,

versus

ARKANSAS NATURAL GAS COMPANY, SAM W. MASON, MRS. LYDIA HANSZEN MACMULLEN, J. A. MacMullen and Harry S. Grayson, Appellees.

Know all men by these presents, That we, the Arkansas Natural Gas Company, Sam W. Mason, Mrs. Lydia Hanszen MacMullen, J. A. MacMullen and Harry S. Grayson, as principals, and the United States Fidelity & Guaranty Company, as surety, are held and firmly bound unto and in favor of the United States of America, Appellee, in the above cause, in the full sum of Ten Thousand Four Hundred (\$10,400.00) Dollars, for the payment of which well and truly to be made, we hereby bind ourselves, our successors and legal representatives firmly and in solido.

Dated at New Orleans, La., on this the 30 day of May 1921.

The condition of the above obligation is such that,

Whereas, on the 17th day of May, 1921, in the United States Circuit Court of Appeals for the Fifth Circuit, in a suit pending in that Court wherein the United States of America was appellant and the Arkansas Natural Gas Company, Sam W. Mason, Mrs. Lydia Hanszen MacMullen, J. A. MacMullen and Harry S. Grayson were appellees, numbered on the Equity Docket 3543, a decree was rendered and signed and filed, affirming the decree of the District Court in so far as it was in favor of the plaintiff below, and reversing same in so far as it credited the defendants below or any of them with drilling and operating costs incurred, and remanding the case with direction that the accounting and the decree be conformed to the views expressed in the opinion handed down on the said 17th day of May, 1921, in the case of Sam W. Mason et al. vs. United States, No. 3548 on the docket of the United States Circuit Court of Appeals for the Fifth Circuit; and the said Arkansas Natural Gas Company, Sam W. Mason, Mrs. Lydia Hanszen MacMullen, J. A. MacMullen, and Harry S. Grayson have obtained an appeal with supersedeas to the United States Supreme Court;

Now if the said Arkansas Natural Gas Company, Sam W. Mason, Mrs. Lydia Hanszen MacMullen, J. A. MacMullen, and Harry S. Grayson shall prosecute such appeal to effect and answer all damages and costs if they fail to make their plea good, then the above obligation to be void; otherwise to remain in full force and effect.

(Signed) ARKANSAS NATURAL GAS COMPANY,
By S. L. HEROLD,
Attorney.

(Signed) SAM W. MASON,
By S. L. HEROLD,
Attorney.

(Signed) MRS. LYDIA HANSZEN MACMULLEN,
By S. L. HEROLD,
Attorney.

(Signed) J. A. MACMULLEN,
By S. L. HEROLD,
Attorney.

(Signed) HARRY S. GRAYSON,
By S. L. HEROLD,
Attorney.

(Signed) UNITED STATES FIDELITY &
GUARANTY CO.,
By L. L. BEBOUT,

[SEAL.] *Attorney in Fact.*

Approved this 7th day of June 1921.

(Signed)

R. W. WALKER,
U. S. Circuit Judge.

Clerk's Certificate.

UNITED STATES OF AMERICA:

United States Circuit Court of Appeals, Fifth Circuit.

I, Frank H. Mortimer, Clerk of the United States Circuit Court of Appeals for the Fifth Circuit, do hereby certify that the pages numbered from 47 to 55 next preceding this certificate, contain full, true and complete copies of all the pleadings, record entries and proceedings, including the opinion of the United States Circuit Court of Appeals for the Fifth Circuit, in a certain cause in said Court, numbered 3543, wherein The United States of America is appellant, and Arkansas Natural Gas Company, Sam W. Mason, Mrs. Lydia Hanszen McMullen, J. A. McMullen, and Harry S. Grayson are appellees, as full, true and complete as the originals of the same now remain in my office.

I further certify that the pages of the printed record, numbered from 1 to 46, are identical with the printed record upon which said cause was heard and decided in the said Circuit Court of Appeals.

In testimony whereof, I hereunto subscribe my name, and affix the seal of the said Circuit Court of Appeals, at my office in the City of New Orleans, Louisiana, in the Fifth Circuit, this 21st day of June, A. D. 1921.

[Seal United States Circuit Court of Appeals, Fifth Circuit.]

FRANK H. MORTIMER,
Clerk of the United States Circuit Court of Appeals.

THE UNITED STATES OF AMERICA:

The President of the United States to the United States of America,
Greeting:

You are hereby cited and admonished to be and appear at a Supreme Court of the United States at Washington, D. C., within thirty days from the date hereof, pursuant to a petition and order for appeal sued out and filed in the Clerk's Office of the United States Circuit Court of Appeals for the Fifth Circuit, in the cause wherein the United States of America is appellant and the Arkansas Natural Gas Company, Sam W. Mason, Mrs. Lydia Hanszen MacMullen, J. A. MacMullen and Harry S. Grayson are appellees, No. 3543 of the Docket of said Circuit Court of Appeals, to show cause, if any there be, why the Decree rendered against the said Arkansas Natural Gas Company and others as in said petition and order for appeal mentioned, should not be corrected, and why speedy justice should not be done to the parties in that behalf.

Witness, the Honorable Joseph McKenna, Senior Associate Justice of the United States, this 7th day of June in the year of our Lord one thousand nine hundred and twenty-one.

R. W. WALKER,
United States Circuit Judge.

Service of the within citation of appeal is hereby accepted and acknowledged this 11th day of June, 1921.

ROBERT A. HUNTER,
Special Assistant to the Attorney General.

[Endorsed:] No. 3543. United States Circuit Court of Appeals, Fifth Circuit. United States of America, Appellant, vs. Arkansas Natural Gas Co. et al., Appellees. Citation. Filed 13th day of June, 1921. Frank H. Mortimer, Clerk of the United States Circuit Court of Appeals.

Endorsed on cover: File No. 28,349. U. S. Circuit Court Appeals, 5th Circuit. Term No. 394. Arkansas Natural Gas Company, Sam W. Mason, Mrs. Lydia Hanszen MacMullen, et al., appellants, vs. The United States of America. Filed July 2d, 1921. File No. 28,349.

(4268.)

